

Jan.-June, 1977

FILE: 805

GOVERNMENT & PUBLIC
SITUATIONS/ISSUE/REGISTERS

(Received from Public
(Affairs Dept. & Corporate
(Affairs Regions)

(- See #803.1 & #803.6,
(respectively, for 1976)
(

DEPARTMENT OPERATIONS AND SERVICE

Including Situation Summary for the
Potential Issue Analysis and Response
Redbook used in the Public Relations
Division - received from Public
Affairs Dept.

EXTERNAL PRIORITIES COORDINATION
CORPORATE AFFAIRS DEPARTMENT

Ottawa Register

	NOTE	ACTION	RETURN
RMM	<i>gm</i>		
JDJ	<i>g</i>		
FILE: 805			

Issue No. 10

June 30, 1977

CONTENTS

Legislative Debates	pp. 2-4
Committee Proceedings	pp. 4-5
Major Statements Outside Parliament ...	p. 5
Government Reports	pp. 5-6
Organizational Changes	p. 6
Checklist of Legislation, etc.	pp. 7-8

SYNOPSIS

- Savings equivalent to the output of 1-1/2 Syncrude-sized oil sands plants are anticipated from national home insulation program (pp. 3 & 5).
- Growth rate of North America's automobiles should level off (p. 6).
- The government launches a study of nuclear wastes, while mindful that they still have huge energy-producing potential (p. 5). But a uranium enrichment plant in Canada isn't a good idea (p. 6).
- A Commons committee hears grievances about gasoline retailing practices (p. 4).
- NEB's report on the northern pipeline applications is to be made public July 4 (p. 7).
- A parliamentary recess could come on July 8, but it isn't official yet (p. 2).
- A former Liberal cabinet minister wants legislation under which oil companies wouldn't get more revenue from higher oil and gas prices unless they do additional exploration (p. 2).

SUMMARY OF LEGISLATIVE DEBATES

(June 22-28, 1977)

A. HOUSE OF COMMONS

1. *Activities*

The expectation of an end-of-June recess finally vanished. On the schedule for the first week of July is a two-day debate on national unity. This could point to a recess beginning next Friday (July 8). While this is the current expectation, confirmation of a date usually comes on short notice.

Legislative activity picked up as some contentious issues moved further from the public limelight. Among bills reaching third reading was the Fisheries Act (C-38) and John Reid's private member's bill to convert IAC into the chartered Continental Bank of Canada. Trudeau held firm that there was not to be an enquiry into the RCMP.

2. *Highlights*

(a) Locking-In Exploration Funds

A former cabinet minister not noted for hewing the party line, Herb Gray (Lib., Windsor West) wants a legislated requirement that oil companies get added revenue from oil and gas price increases only on the condition that they carry out additional exploration work. In proposing a locking-in requirement on June 27, Gray said it appears to be true that the companies will receive windfall revenues of some \$1 billion as a result of the oil and gas price increases. Acting Prime Minister MacEachen took his question as representational, and said it would be considered.

(b) Crude Oil and Natural Gas Prices

Energy Minister Gillespie tabled a statement on June 23 on increases in crude and natural gas prices, as agreed to by the federal government and Alberta and Saskatchewan.

Ottawa Register

Room 551
Building.

COORDINATION

JUL 4 1977

	NOTE	ACTION	RETU
RMM	<i>dm</i>		
JDJ	<i>df</i>		

Issue No. 10

June 30, 1977

CONTENTS

Legislative Debates	pp. 2-4
Committee Proceedings	pp. 4-5
Major Statements Outside Parliament ...	p. 5
Government Reports	pp. 5-6
Organizational Changes	p. 6
Checklist of Legislation, etc.	pp. 7-8

SYNOPSIS

- Savings equivalent to the output of 1-1/2 Syncrude-sized oil sands plants are anticipated from national home insulation program (pp. 3 & 5).
- Growth rate of North America's automobiles should level off (p. 6).
- The government launches a study of nuclear wastes, while mindful that they still have huge energy-producing potential (p. 5). But a uranium enrichment plant in Canada isn't a good idea (p. 6).
- A Commons committee hears grievances about gasoline retailing practices (p. 4).
- NEB's report on the northern pipeline applications is to be made public July 4 (p. 7).
- A parliamentary recess could come on July 8, but it isn't official yet (p. 2).
- A former Liberal cabinet minister wants legislation under which oil companies wouldn't get more revenue from higher oil and gas prices unless they do additional exploration (p. 2).

SUMMARY OF LEGISLATIVE DEBATES

(June 22-28, 1977)

A. HOUSE OF COMMONS

1. *Activities*

The expectation of an end-of-June recess finally vanished. On the schedule for the first week of July is a two-day debate on national unity. This could point to a recess beginning next Friday (July 8). While this is the current expectation, confirmation of a date usually comes on short notice.

Legislative activity picked up as some contentious issues moved further from the public limelight. Among bills reaching third reading was the Fisheries Act (C-38) and John Reid's private member's bill to convert IAC into the chartered Continental Bank of Canada. Trudeau held firm that there was not to be an enquiry into the RCMP.

2. *Highlights*

(a) Locking-In Exploration Funds

A former cabinet minister not noted for hewing the party line, Herb Gray (Lib., Windsor West) wants a legislated requirement that oil companies get added revenue from oil and gas price increases only on the condition that they carry out additional exploration work. In proposing a locking-in requirement on June 27, Gray said it appears to be true that the companies will receive windfall revenues of some \$1 billion as a result of the oil and gas price increases. Acting Prime Minister MacEachen took his question as representational, and said it would be considered.

(b) Crude Oil and Natural Gas Prices

Energy Minister Gillespie tabled a statement on June 23 on increases in crude and natural gas prices, as agreed to by the federal government and Alberta and Saskatchewan.

HOUSE OF COMMONS (continued)

(Highlights)

(c) Home Insulation

Questioning by NDP energy critic T.C. Douglas on June 27 brought these explanations from Urban Affairs Minister Andre Ouellet:

- The federal program announced this week is not as generous as that now in existence in Nova Scotia and P.E.I., but should provide enough incentive to generate a good response.
- Provincial governments will have to first approve the EMR conditions before residents in the province can take advantage of the program.
- Removal of sales tax on insulation materials won't necessarily require legislation, as special provisions can be made in a budget.
- Tenants are provided for as long as they live in buildings of not more than three floors.

(d) Indian Affairs

Improvements will be made on the seven-year-old Indian Economic Development Fund program. Keith Penner, parliamentary secretary to DIAND, said the changes will be aimed at job creation and improved economic security.

(e) Canadian Shipbuilding

To assist the Canadian shipbuilding industry over a difficult period, Transport Minister Otto Lang is considering a temporary moratorium on the importation of used foreign-built ships.

B. SENATE

1. *Activities*

In a pre-recess mood, senators wound up their current debate on national unity this week and gave third reading to various bills. Included was the Government Organization (Scientific Activities) Bill (C-26), as well as bills dealing with land surveys, aeronautics, and the Canada Deposit Insurance Corporation.

SENATE (continued)

2. Highlights

(a) Petroleum Corporations Monitoring Act (S-4)

The form in which this bill passed third reading on June 28 contains an amendment to the government's original draft of clause 6. The amendment results from representations to the Senate Banking Committee that it would be eminently unfair for the minister to disclose information on a particular company without giving that company the opportunity to make representations to the minister. The bill, which gives the government the power to demand reports from petroleum corporations on their cash flow and spending programs, now goes to the House of Commons.

(b) Rail Link with Alaska?

Senator Perrault, the government leader in the Senate, promised to reply later to Senator Austin on reports that Canada and the U.S. are studying the possibility of building a railway to link the CN system with Fairbanks, Alaska.

SUMMARY OF COMMITTEE PROCEEDINGS

A. FINANCE, TRADE AND ECONOMIC AFFAIRS COMMITTEE (COMMONS)

1. Activities

This committee met four times in the past week, out-performing most Commons committees in the pre-recess period. (Note: Two committees regularly monitored in "Ottawa Register" — National Resources and Public Works; Indian Affairs and Northern Development — have not met this week.) The reason for the Finance Committee's activity was the Competition Bill (C-42).

2. Highlights

(a) Gasoline Retailing Practices

National Automotive Trades Association is a supporter of the bill. Its appearance on June 27 was a recital of the grievances of independent service station operators against the self-serve expansion and alleged predatory pricing of big oil companies.

(Highlights)

(b) Crown Corporations and Regulating Agencies

Canadian Federation of Independent Business came forward with a suggestion on June 23: make crown corporations and regulating agencies subject to the proposed competition laws. This would help to deal with "the hidden cost to the economy of poor regulatory performance".

MAJOR STATEMENTS OUTSIDE PARLIAMENT

*Massive Energy
Potential*

Spent fuel from the CANDU reactor, accumulated by the end of the century, will have an energy potential equal to Canada's 1977 proven reserves of 9 billion barrels of conventional oil, and Atomic Energy of Canada Ltd. has been conducting laboratory research to determine how this energy might be recaptured. In giving this potential energy comparison to the Canadian Electrical Association meeting on June 27, Energy Minister Gillespie said people who claim the government has already made up its mind about fuel reprocessing are wrong. The government has established an independent task force to study all aspects of safe storage of nuclear wastes and to report in the fall. (See "Organizational and Personnel Changes" — p. 6.)

*Home Insulation
Program*

Savings equivalent to 50 million barrels of oil a year — the output of 1½ Syncrude-sized oil sands plants — is expected on completion of the \$1.4 billion Canadian home insulation program, announced jointly on June 27 by Energy Minister Gillespie and Urban Affairs Minister Andre Ouellet.

GOVERNMENT REPORTS AND STUDIES

1. *Energy Update*

EMR publication designed to bring "An Energy Strategy for Canada" up-to-date by incorporating full-year data for 1976. Part 3, "Some Events in Review", is of reference value.

2. *Energy — The Task Ahead*

EMR publication consisting of policy questions and answers; appears designed for more popular audience than Energy Update.

3. *Energy — Policy and Action Review*

EMR statement listing energy policies under three headings (energy and conservation, energy supply, pricing and investment) and enumerating government action under those headings. Appears designed as rebuttal to those who contend Canada does not have an energy policy.

4. *Uranium Enrichment*

54-page document examines prospects for a uranium enrichment plant, as proposed by company jointly owned by France's atomic energy commission and the James Bay Corporation. Sees little benefit to Canada because plant could add to world surplus capacity if it came onstream before 1990; could be overtaken by laser and centrifuge technology; is power- and capital-intensive while adding few permanent jobs in Canada, and would be export-oriented because CANDU doesn't use enriched fuel.

5. *North American Automotive Industry*

Review anticipates that long-term growth rate in North American demand for automobiles will level off appreciably because of "near maturity" of the market. Much of statement is devoted to a review, undertaken separately from but in cooperation with the United States, of what is happening under the auto pact. Tabled in Commons June 27 by Industry Trade and Commerce Minister Jean Chretien.

6. *AIB Future*

Government statement on timing and method of de-control expected in July.

ORGANIZATIONAL AND PERSONNEL CHANGES

Indian Affairs and Northern Development

Bill Armstrong to be director-general, resources and economics planning, replacing Barry Yates; Armstrong was formerly regional director in Vancouver.

Task Force on Nuclear Waste

Dr. Kenneth Hare, University of Toronto (former UBC president) to be chairman.

Dr. A.M. Aikin, former AECL vice-president, administration and planning, and Dr. J.M. Harrison, recently deputy secretary-general for science of UNESCO, to be members.

CHECKLIST OF LEGISLATION, BOARD ENQUIRIES,
DEPARTMENTAL ACTIVITIES, ETC.

CURRENT STATUS

CHANGE THIS WEEK

LEGISLATION — Anticipated

- | | |
|---|---|
| ● Petroleum and Natural Gas Act | Interim regulations announced pending introduction of legislation next session. |
| ● Bill to control foreign ownership of Canadian uranium | Deferred until next session. |

LEGISLATION — In Progress

- | | | |
|---|---|---|
| ● Petroleum Corporations Monitoring Act (S-4) | | Passed third reading in Senate June 28. |
| ● Competition Bill (C-42) | In Commons and Senate committees. | |
| ● Maritime Code and Canada Shipping Act (C-41) | In Senate committee (has passed Commons). | |
| ● Canadian Human Rights Act (i.e. privacy) (C-25) | In Senate committee (has passed Commons). | |
| ● Borrowers and Depositors Protection Act (C-16) | In Commons committee. | |

*REGULATORY AGENCIES
AND PIPELINE ENQUIRIES*

- | | | |
|---|-----------------------------------|--|
| ● Pipeline applications | | NEB report to be made public on July 4. |
| ● Lysyk Enquiry into impact on Yukon of Alaska Highway route for gas pipeline | | Final series of hearings began June 27 in Whitehorse. Report due Aug. 1. |
| ● Environmental Assessment Panel on Alaska Highway gas pipeline | Proceeding separately from Lysyk. | |
| ● Berger Commission | Vol. 2 awaited. | |

(REGULATORY AGENCIES
AND PIPELINE ENQUIRIES)

CURRENT STATUS

CHANGE THIS WEEK

- Polar Gas Line

Consortium considering options of applying to NEB this year for smaller diameter pipeline (42") and for LNG tankers, in light of discovered reserves.

- Trans Mountain Pipe Line

NEB hearings awaited on proposed movement of Alaska crude from Cherry Point, Washington, to Edmonton.

- Thompson Enquiry

Status still unclear following Kitimat Pipeline's stepping aside in favor of competing Trans Mountain application.

- LNG project at Lorneville, N.B.

NEB has rescheduled hearings for late September following applicant's request for postponement. (IOL has notified the NEB that it is interested party.)

DEPARTMENTAL ACTIVITIES

- EMR National Advisory Committee on Conservation and Renewable Energy

Recommended names still being considered by minister.

- Political future of N.W.T. and Yukon

Allmand hopes to release DIAND policy statement in July.

SUPREME COURT OF CANADA

- CIGOL appeal (Sask. royalties)

Judgment awaited. Next possible date Oct. 4.

Mr. R.M. Maier,
Room 551,
Building.

Ottawa Register

EXTERNAL PRIORITIES COORDINATION

JUN 27 1977

	NOTE	ACTION	RETURN
RMM	<i>[initials]</i>		
JDJ	<i>[initials]</i>		
FILE:	805		

Issue No. 9

June 24, 1977

CONTENTS

Legislative Debates	pp. 2-4
Committee Proceedings	pp. 4-5
Major Statements Outside Parliament ..	p. 5
Government Reports	p. 6
Organizational Changes	p. 6
Checklist of Legislation, etc.	pp. 6-8

SYNOPSIS

- Three government statements within a week are showing some of Ottawa's intentions on energy policy (pp. 2 & 5).
- Imperial Oil has lost its appeal in the Supreme Court of Canada, ending all litigation avenues in its contract dispute with Nova Scotia Light and Power Co. Ltd. (p. 8).
- Every six months will be the frequency of mandatory reporting to government of oil industry cash flow and expenditures (p. 5).
- A former Alberta premier supports CAGPL (p. 4).
- NEB is expected to give cabinet its report on northern gas pipelines on July 4 (p. 7).
- An end-of-June recess of Parliament is now doubtful (p. 2).
- A Commons committee is told that overall risk from nuclear reactors is small compared to other risks society accepts (p. 4).
- The federal government's policy on official languages is outlined in an official document and in ministerial statements (pp. 5 & 6).

SUMMARY OF LEGISLATIVE DEBATES

(June 15-21, 1977)

HOUSE OF COMMONS

Activities

An end-of-June recess is now doubtful. This reflects not only time-consuming debates, including a three-day one on the anti-inflation program, but also a changed mood in the House.

Opposition parties used a fair portion of the week's sittings to get the government on the defensive. The PCs emphasized the RCMP's involvement in break-ins and the possibilities of ministerial naivety or cover-up. The NDP, meanwhile, was pressing for a Royal Commission to investigate organized crime, a concern triggered by the CBC.

Highlights

(a) Anti-Inflation Program

A Conservative motion to end the anti-inflation program on June 30 was defeated. During the debate, Finance Minister Macdonald promised an amending bill to stop unions and companies from regaining increases they have lost because of anti-inflation rollbacks.

(b) Energy Policy

Energy Minister Gillespie confirmed to Jack Marshall (PC, Humber-St. George's-St. Barbe) on June 15 that a support program to reduce energy costs in Newfoundland is under study. (Gillespie is slated to make a statement next Monday on a national home insulation program. This will be the third pronouncement putting in place parts of the government's energy program; the others being (1) the tabling of the Ottawa-Alberta agreement on oil and gas prices, and (2) the outlining of interim rules for exploration on federal lands.)

(c) Uranium Marketing

With 70% of the world uranium market closed to non-U.S. uranium producers, action had to be taken to protect Canadian industries and jobs. Gillespie gave this explanation to Jim Gillies (PC, Don Valley) and asserted June 17 that there was no secrecy about the producers' group.

HOUSE OF COMMONS (continued)

(Highlights)

Finance Minister Macdonald then said the U.S. could have participated if it had not been following such an exclusionary policy itself. He didn't answer directly Sinclair Stevens' question as to whether the uranium cartel had been a cause of inflation.

(d) Energy Data

A written question by Dan McKenzie (PC, Winnipeg South Centre) elicited these answers from Gillespie June 15:

- The government collected \$716 million in export charges and \$550 million in excise tax in 1976. It paid \$967 million in compensation payments that year.
- Exploration expenditure through Panarctic and Petro-Canada was \$41 million in 1976, compared with \$18 million in 1975.
- The government's synthetic investment was \$87 million in 1976 compared to \$58 million in 1975.
- Atomic Energy of Canada's nuclear research and utilization program was voted \$102 million for 1976-77, up from \$86 million in 1975-76.

(e) Canada-U.S. Relations

External Affairs Minister Jamieson has received word that President Carter intends to use a veto on the Garrison diversion project (which Canada opposes) even though the U.S. House of Representatives has approved an appropriation bill.

B. SENATE

1. Activities

The week's topics included national unity, a proposal to have a joint Senate/Commons committee study on organized crime, and Canada-U.S. measures to reduce oil pollution risk in Pacific waters. A motion supporting the Helsinki Declaration on human rights was carried. The Income Tax Conventions Act (C-12), the Motor Vehicle Safety Act (C-36), and the Judges Act (C-50) were given third reading.

SENATE (continued)

2. Highlights

(a) Mackenzie Valley Pipeline Enquiry

Senator Ernest Manning criticized Mr. Justice Berger for having ignored the broader issue that will affect the living standards of millions of Canadians. He stressed the effect that combined movement of Alaskan and Canadian gas has in ensuring economic viability of the gas pipeline and substantially reducing transmission costs.

SUMMARY OF COMMITTEE PROCEEDINGS

A. NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE (COMMONS)

1. Activities

Nuclear safety was the sole topic considered in the past week.

2. Highlights

According to the key witness, Dr. Norman Rasmussen of MIT (June 16):

- A study of U.S.-designed reactors revised upward the probability of accidents serious enough to melt reactor fuel but downward the consequences of such an accident. Result: overall risk to society is small compared to other risks society accepts.
- Here's one way to get a site for a nuclear reactor: designate the site for a coal plant first and, when the neighbours raise a fuss, let them have a nice clean nuclear plant.
- No new industry has ever developed with as much consciousness of its effect on the physical and human environment as has nuclear. If coal were burned under the same safety standards, people couldn't afford the electricity produced.

B. FINANCE, TRADE AND ECONOMIC AFFAIRS COMMITTEE (COMMONS)

The submission of the Consumers Association of Canada on June 21 parted company with much of what the committee has been hearing about the proposed Competition Act (C-42). CAC was almost unreservedly supportive:

- Bill would facilitate the entry of new products and competitors, which would be good for the economy;
- Consumers have little reason to believe that existing laws will protect their interests.

C. BANKING, TRADE AND COMMERCE COMMITTEE (SENATE)

1. Activities

This committee wound up its examination of the Petroleum Corporations Monitoring Act (S-4) on June 21, and sent it on to the Senate for third reading. (It has yet to be considered by Commons.) The committee also continued to receive submissions on the principles of the draft Competition Act.

2. Highlights

The government will issue regulations requiring major oil companies to file data on their cash flow and expenditures every six months — an interval that corresponds with the timing of oil price increases. The regulations will be issued following enactment of the Petroleum Corporations Monitoring Act, which doesn't specify report frequency (Energy Minister Gillespie, June 21).

MAJOR STATEMENTS OUTSIDE PARLIAMENT

*Frontier Exploration
Incentives*

Interim rules for exploration on federal lands, made under ministerial powers because of slippage in the enactment of a Petroleum and Natural Gas Act, were outlined by Energy Minister Gillespie in an address to the Association of Petroleum Landmen, Calgary, June 20. In addition to limiting Petro-Canada's right to "back into" existing exploration plans and extending the expiry date of the holiday from incremental royalty, the interim rules mark the unfreezing of new permit applications.

*Quebec Language
Policy*

Secretary of State John Roberts told reporters (and, in part, the House of Commons) on June 21 that the federal government, reluctantly and in the short term, will go along with Quebec's restrictions on free choice in language of education. He gave Quebec's insecurity about preserving French as the reason for "deferment" of the free choice principle contained in the federal government's new paper on official languages. Trudeau later made a clarifying statement: Ottawa didn't think the Quebec policy was the right one, and it may have to seek greater constitutional control over the education of minority groups.

GOVERNMENT REPORTS AND STUDIES

1. *Government Paper on Official Languages* "A National Understanding: the official languages of Canada" and "Un choix national: Les langues officielles au Canada" were tabled in the House by secretary of state John Roberts June 21.
2. *White Paper on Freedom of Information* At printers; will be tabled in Commons soon.

ORGANIZATIONAL AND PERSONNEL CHANGES

- Anti-Inflation Board* Henry F. Stevenson to be director-general of Prices and Profits Branch, replacing Reed Scowin. (Stevenson was formerly with Imperial and with Exxon affiliates.)
- Arctic Institute of North America* Dr. John S. Tener to be executive director; was formerly ADM, environmental management services, Environment Canada.

CHECKLIST OF LEGISLATION, BOARD ENQUIRIES, DEPARTMENTAL ACTIVITIES, ETC.

	<u>CURRENT STATUS</u>	<u>CHANGE THIS WEEK</u>
<i>LEGISLATION — Anticipated</i>		
● Petroleum and Natural Gas Act		Interim regulations announced by energy minister Gillespie June 20 pending introduction of legislation next session.
● Bill to control foreign ownership of Canadian uranium	Deferred until next session.	

CURRENT STATUS

CHANGE THIS WEEK

LEGISLATION — *In Progress*

- | | | |
|---|---|---|
| ● Petroleum Corporations Monitoring Act (S-4) | | Passed Senate Banking Committee on June 21; returned to Senate for third reading. |
| ● Competition Bill (C-42) | In Commons and Senate committees. | |
| ● Maritime Code and Canada Shipping Act (C-41) | In Senate committee (has passed Commons). | |
| ● Canadian Human Rights Act (i.e. privacy) (C-25) | In Senate committee (has passed Commons). | |
| ● Borrowers and Depositors Protection Act (C-16) | In Commons committee. | |

REGULATORY AGENCIES
AND PIPELINE ENQUIRIES

- | | | |
|---|---|--|
| ● Pipeline applications | NEB hearings completed. | Rebuttals to final written arguments presented on June 20. NEB expected to submit report to cabinet on July 4. |
| ● Lysyk Enquiry into impact on Yukon of Alaska Highway route for gas pipeline | Final series of hearings in Whitehorse June 27-July 10. Report due Aug. 1. | |
| ● Environmental Assessment Panel on Alaska Highway gas pipeline | Proceeding separately from Lysyk. | |
| ● Berger Commission | Vol. 2 awaited. | |
| ● Polar Gas Line | Consortium considering options of applying to NEB this year for smaller diameter pipeline (42") and for LNG tankers, in light of discovered reserves. | |

Mr. R.M. Maier,
Room 500,
Building.



EXTERNAL PRIORITIES COORDINATION			
JUN 20 1977			
	NOTE	ACTION	RETURN
RMM	<i>AM</i>		
JDJ	<i>JP</i>		
FILE: 805			

Issue No. 8

June 17, 1977

CONTENTS

Legislative Debates	pp. 2-3
Committee Proceedings	pp. 3-5
Major Statements Outside Parliament	p. 5
Government Reports	p. 5
Organizational Changes	p. 5
Checklist of Legislation, etc.	pp. 6-7

SYNOPSIS

- The practices of a multinational affiliate and the prerogatives of U.S. Congressmen to look into Canadian affairs are under review in the uranium pricing issue [p. 2].
- MPs have asked for a cost analysis of nuclear vs. fossil fuel generation of electricity that takes account of subsidized benefits, as well as direct utility costs [p. 3].
- A Senate committee has received data on internal cash generation of 34 petroleum companies [p. 4].
- Imperial Oil's views on proposed competition legislation are presented to both Commons and Senate committees [p. 4].
- An interim arrangement for petroleum operations on federal lands is likely due to delays in a Petroleum and Natural Gas Act [p. 2].

Research and Analysis Division
Public Affairs Department
Imperial Oil Limited

SUMMARY OF LEGISLATIVE DEBATES

(June 8-14, 1977)

A. HOUSE OF COMMONS

1. Activities

Ministerial statements during question period indicated:

- There are no plans for an early budget;
- Macdonald is interested in the principle of the Canada Development Corporation taking ownership of some crown corporations;
- Arctic transportation costs and possible subsidies for Arctic communities are under review by the Ministry of Transport.

Final readings were given for bills dealing with motor vehicle safety, aeronautics, farm improvement and the Canadian Wheat Board.

2. Highlights

(a) Multi-National Corporation Issues

The Canadian government approved, and in some cases requested, the participation of Canadian uranium producers in an international group trying to provide price stability. This was confirmed by Energy Minister Gillespie on June 9. Gillespie regretted that Gulf Minerals Canada Ltd. had passed to its U.S. parent information that was confidential to Canadian government, and that the information got into the hands of the U.S. House of Representatives. (Outside the House, Gillespie said the question was whether an MNC-affiliated firm's first loyalty was to its parent or to the country in which it operates. The government is investigating whether Gulf Minerals sent the information before or after a government order last Sept. 22, prohibiting the removal from Canada of information related to uranium marketing.)

(b) Natural Gas Exports

Acting Prime Minister MacEachen was not aware if NEB chairman Crowe spoke for the government in predicting that it was unlikely Canada would have to curtail gas exports in the next five years (replying to T.C. Douglas, June 8).

HOUSE OF COMMONS (continued)

(Highlights)

(c) Prices

Consumer and Corporate Affairs will look into a 15-cent differential in gasoline prices at the Quebec-Ontario border (Tony Abbott replying to Armand Caouette, SC, Villeneuve).

(d) Newfoundland and Hydro-Electric Power

A federal "package of benefits" has been discussed with Newfoundland, Gillespie told John Crosbie (PC, St. John's West) on June 13.

(e) Foreign Control

Industry, Trade and Commerce Department doesn't have a program to reduce to less than 90 per cent the foreign control of automobile and oil industries (Hugh Poulin, parliamentary secretary, replying June 8 to a written question from Andre Fortin, SC, Lotbiniere).

B. SENATE

Final reading was given to bills on export development, excise tax, and financial administration, as other bills arrived from Commons at a brisker pace. Unusual for a private member's bill, the Solar Energy Applications Bill (C-309) has passed Commons, and it is at committee stage in Senate.

SUMMARY OF COMMITTEE PROCEEDINGS

A. NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE (COMMONS)

1. *Activities*

While both meetings were billed as dealing with nuclear safety, MPs worked in some discussion of nuclear power economics.

2. *Highlights*

- (a) Atomic Energy of Canada Ltd. and Ontario Hydro are asked to substantiate their claim that electricity is already being generated more cheaply from nuclear than fossil fuel sources and that this should still be the case in the 1980s. The Conservatives' John Crosbie and the NDP's T.C. Douglas argued that this may be true in terms of the utility's costs, but the figures do not take account of subsidization from the federal treasury for research, design, and heavy water production.

NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE (COMMONS) - (continued)

(Highlights)

- (b) The two-year moratorium on nuclear reactor construction, proposed by the Canadian Coalition for Nuclear Responsibility, would have disruptive effects, said Maurice Dupras, parliamentary secretary to the EMR Minister. Some 30,000 people are employed directly in supplying the industry; and the multiplier effect is 3 or 4 times this number.
- (c) Statements that an orange-size ball of plutonium could kill millions are "the same as saying there is enough water in the Great Lakes to drown each and every inhabitant in the world 10 times over" (Dr. A.M. Marko, Chalk River Nuclear Laboratory, AECL).

B. FINANCE, TRADE AND ECONOMIC AFFAIRS COMMITTEE (COMMONS)

This committee has met frequently this month to hear representations from business associations, companies, organized labor, and university professors on the draft Competition Bill (C-42), which had been withdrawn from the Commons order paper without receiving approval in principle. Imperial Oil appeared on June 16 and expressed concerns about the "overkill" effects of the proposed laws and about the delegation of broad powers to appointed officials, without adequate provision for review or appeal.

C. BANKING, TRADE AND COMMERCE COMMITTEE (SENATE)

1. Activities

This committee has been discussing three pieces of company-interest legislation: the Petroleum Corporations Monitoring Act (S-4), the draft Competition Bill (C-42), and the Borrowers and Depositors Protection Act (C-16). Imperial Oil appeared June 15 on the Competition Bill, making essentially the same presentation as to the Commons Committee, noted above.

2. Highlights

- (a) A document was tabled showing that internal cash generation of 34 petroleum companies was \$1.3 billion in 1971 and in excess of \$3 billion in 1976. According to EMR Deputy Minister MacNabb, federal fiscal incentives are very significant. A company drilling in the Beaufort Sea is "working with 34-cent dollars" up to \$5 million. Beyond \$5 million, the company is investing about seven to eight cents; the rest is public investment".

BANKING, TRADE AND COMMERCE COMMITTEE (SENATE) - (continued)

(Highlights)

- (b) Senators questioned intensively, but didn't vote on, a provision under which the minister could disclose data on an individual company "where in his opinion it is in the public interest and will not unduly impair a corporation's competitive position".

MAJOR STATEMENTS OUTSIDE PARLIAMENT

Post-AIB

Legislation will be introduced to ensure that neither wage nor price increases rolled back under AIB could be claimed when controls end (Finance Minister Macdonald, Ottawa, June 16).

GOVERNMENT REPORTS AND STUDIES

1. *White Paper on Freedom of Information* At printers; will be tabled in Commons soon (MPs of three parties have formed "ginger group" to push for legislation).
2. *Minority Rights* Government charter promised soon.

ORGANIZATIONAL AND PERSONNEL CHANGES

Environment Canada

Gary Vernon will now represent Environment Canada at the Law of the Sea Conference (External Affairs and Justice Departments are also on delegation).

Royal Commission on Financial Administration

New advisors appointed by chairman Allen Lambert:

- Michel Belanger, president, Provincial Bank of Canada
- Robert Dale-Harris, partner, Coopers and Lybrand
- Don Fowke, senior partner, Hickling-Johnston
- Alfred Hales, retired MP
- Ian Macdonald, president, York University
- Don Yeomans, ADM, administration, health and welfare

CHECKLIST OF LEGISLATION, BOARD ENQUIRIES,
DEPARTMENTAL ACTIVITIES, ETC.

	<u>CURRENT STATUS</u>	<u>CHANGE THIS WEEK</u>
LEGISLATION — Anticipated		
● Petroleum and Natural Gas Act		Interim arrangements, issued under ministerial powers, are now anticipated.
● Bill to control foreign ownership of Canadian uranium		Gillespie told Commons on June 9 that this bill would be introduced "next session".
LEGISLATION — In Progress		
● Petroleum Corporations Monitoring Act (S-4)	In Senate committee.	
● Competition Bill (C-42)	In Commons and Senate committees.	
● Maritime Code and Canada Shipping Act (C-41)	In Senate committee (has passed Commons).	
● Canadian Human Rights Act (i.e. privacy (C-25)	Passed third reading in Commons on June 2; now in Senate committee.	
● Borrowers and Depositors Protection Act (C-16)	In Commons committee.	
REGULATORY AGENCIES AND PIPELINE ENQUIRIES		
● Pipeline applications	NEB hearings completed. Rebuttals to arguments on June 20. Report expected in early July.	
● Lysyk Enquiry into impact on Yukon of Alaska Highway route for gas pipeline	Final series of hearings in Whitehorse June 27-July 10. Report due Aug. 1.	Community hearings concluded this week.

Mr. R.M. Maier,
Room 55
Building.

Ottawa Register

EXTERNAL PRIORITIES COORDINATION			
JUN 10 1977			
	NOTE	ACTION	RETURN
RMM	Rm		
JDT	if		
FILE: 805			

Issue No. 7

June 10, 1977

CONTENTS

Legislative Debates	pp. 2-3
Committee Proceedings	pp. 4-5
Major Statements Outside Parliament	p. 6
Government Reports	p. 6
Organizational Changes	p. 6
Checklist of Legislation, etc.	pp. 7-8

SYNOPSIS

- Yet another study is to be made of the Mackenzie River Basin (p. 6).
- An early meeting of provincial energy ministers is being arranged to discuss a national home insulation program (p. 3).
- Canadian Petroleum Association and the Independent Petroleum Association of Canada have appeared separately before Parliamentary committees to present industry views (p. 5).
- The NDP thinks companies that suspend Beaufort drilling are attempting "blackmail", but that won't upset planned increases in crude oil prices (p. 2).
- Communications media, particularly the CBC, are accused of trying to turn the public against the Canadian nuclear program (p. 4).
- Legislative steps come more frequently in both the House of Commons and Senate, as end-of-June recess is anticipated (pp. 2, 3).

SUMMARY OF LEGISLATIVE DEBATES

(June 1-7, 1977)

A. HOUSE OF COMMONS

1. Activities

On the assumption that they may be in the home stretch before an end-of-June recess, MPs took a brisk number of legislative steps on bills that had been on the order paper for months. Included was third reading of the Income Tax Act (C-12) which would enact many of the provisions of Finance Minister Macdonald's budget of March 31.

The minister responsible for small business, Len Marchand, said he would be presenting employment-creating proposals to cabinet soon. Question period reflected sustained interest in national unity issues and de-control intentions, as well as in the energy issues highlighted below.

2. Highlights

(a) Beaufort Sea Drilling

A note concerning the possibility of a reciprocal agreement on compensation for damage was delivered to the U.S. State Department on June 1. External Affairs Minister Jamieson promised to try to make the note available to Bill Jarvis (PC, Perth-Wilmot). DIAND minister Warren Allmand said June 1 that Canada had tried to meet the concerns of the United States by attaching more stringent conditions to its drilling authorization. Allmand also told the NDP's Tommy Douglas that it was the cabinet ministers, not the original advice from the EMR department, that had shaped the requirement on end of drilling (i.e. on Sept. 25 or two weeks before the forecast closure of Beaufort Sea operations, whichever is earlier).

(b) Alleged "Blackmail"

ERM Minister Gillespie turned down Douglas' proposal that next two crude price increases, arranged at the recent energy ministers' meeting, be dropped in the face of industry "blackmail". Gillespie regretted this interpretation of the decision of Shell, Gulf, and Mobil to suspend Beaufort-Delta operations until a decision is made on a pipeline and new land regulations instituted.

HOUSE OF COMMONS (continued)

(Highlights)

(c) Heavy Oil

Petro-Canada will be allocating \$5 million to the Lloydminster heavy oil project, as in all probability will Venezuela, Gillespie told Don Mazankowski (PC, Vegreville).

(d) Syncrude

Gillespie re-affirmed to T.C. Douglas on June 7 that the government's commitment to a world price, with a subsidy arrangement operative until that point is reached, still stands.

(e) Conservation

An early meeting with provincial energy ministers is being arranged to discuss the possibility of a national home insulation program, Gillespie announced June 7. Questioned by PC energy critic John Crosbie about a memo on conservation potential alleged to have gone to cabinet, Gillespie refused to say whether cabinet had rejected its suggestion that a sound conservation program could eliminate the need for risky frontier exploration.

(f) Thompson Commission

The future of Dr. Andrew Thompson's enquiry into the marine aspects of transporting Alaskan crude to the U.S. midwest via a Canadian port is under review following Kitimat Pipe Line's change of plans. Benno Friesen (PC, Surrey-White Rock) sought a commitment from transport minister Lang that the commission will (a) continue and (b) shift emphasis to the lower B.C. mainland and Vancouver Island.

B. SENATE

1. *Activities*

The recess prospect affecting Commons is funneling more legislation to the Senate. Bills on customs, excise tax, export development, financial administration, and income tax conventions were at various stages. Debate continued on national unity and the Solar Energy Applications bill.

2. *Highlights*

Great Lakes Water Quality Agreement

The government leader, Senator Perrault, promised a full statement soon on a possible review of the 1972 Canada-U.S. agreement on Great Lakes water quality.

SUMMARY OF COMMITTEE PROCEEDINGS

A. NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE (COMMONS)

1. Activities

Nuclear issues have the attention of this committee now. In the past week it heard witnesses from the Canadian Nuclear Association and from Atomic Energy of Canada Ltd. It has scheduled a meeting with Dr. Norman Rasmussen of the Massachusetts Institute of Technology on June 16 on the question of nuclear reactor safety.

2. Highlights

- (a) Ontario, now getting 20% of its electricity from nuclear stations, should be meeting 45% of an expanding demand from that source by 1985, and 60% by the turn of the century. Operating requirements make the nuclear units best suited to carry base load, rather than peak demand. The first four Pickering units, in service between 1971 and 1973, produce power more cheaply than Ontario Hydro's most modern thermal station at Lambton. Despite the escalation of construction costs, it is anticipated that the next four Pickering units, in service between 1981 and 1983, will still produce electricity below the projected cost of fossil fuel generation (W.B. Morrison, director of design and development for power generation, Ontario Hydro).
- (b) The media, particularly the CBC, are not presenting nuclear issues in an unbiased manner, and the effect is to turn the public against the Canadian nuclear program, "one of the outstanding achievements of Canadian science and technology" (L.D. Hopkins, Liberal, Renfrew North-Nippissing East).
- (c) The Canadian Nuclear Association urges an energy plan that uses a variety of generation forms, with greatest emphasis on those types that use Canadian resources. Because it takes more than 10 years from exploration to production for a uranium mine and 10-15 years for a CANDU station, nuclear power development can't be a stop-and-go activity (L.C. Secord, director and past president, CNA).

B. INDIAN AFFAIRS AND NORTHERN DEVELOPMENT COMMITTEE (COMMONS)

This committee has not met in the past week.

C. FINANCE, TRADE AND ECONOMIC AFFAIRS COMMITTEE (COMMONS)

In an unusual procedural step, this committee is receiving representations on the government's draft competition bill, though the relevant bill, C-42, hasn't been given second reading (approval in principle) in Commons. Independent Petroleum Association of Canada has pointed out that joint ventures are a traditional pattern in the upstream end of the petroleum industry, one that enables Canadian-owned firms to provide significant competition for the multinationals. (Government officials at the meeting discounted IPAC's fears that joint ventures would be affected.) IPAC also said C-42 would be contrary to legislation establishing Petro-Canada, which has a mandate to engage in joint ventures.

D. LEGAL AND CONSTITUTIONAL AFFAIRS (SENATE)

Though urging the Senate to proceed without delay on the legislation giving effect to the settlement of native claims in Northern Quebec (the bottleneck-breaker for the James Bay project), DIAND minister Warren Allmand says he will delay proclaiming it into law. (Bill has already passed three readings in Commons.) Allmand wants further talks with the Eskimos because they are concerned that the obtained rights will be affected by provincial legislation making French the official language of Quebec.

E. BANKING, TRADE AND COMMERCE COMMITTEE (SENATE)

This committee held two meetings on Bill S-4, the Petroleum Corporations Monitoring Act. The first was with EMR officials, headed by the deputy minister G.M. MacNabb, who explained the act's provisions and the government's reasons for wanting it. The second was with Canadian Petroleum Association (supported by BP Canada and Husky Oil appearances). CPA questioned: (a) the need for an additional and mandatory disclosure requirement in view of data already supplied to government, (b) silence on the frequency of reporting, which CPA believes shouldn't be needed more often than yearly, and (c) the possibility that the government may go beyond monitoring and start telling the oil companies where and how to spend their money.

MAJOR STATEMENTS OUTSIDE PARLIAMENT

1. *Federal-Provincial Study on Mackenzie River Basin*

Environment Minister Romeo LeBlanc announced that a 12-member committee will study the effect of development on water quality, wildlife, and the people of the Mackenzie River basin. Cost of \$1 million will be shared 76% federal, 13% Alberta, 8% B.C. and 3% Saskatchewan. N.W.T. will also be represented. Chairman is Jim Bruce, marine surveys directorate.

2. *Gas Exports*

National Energy Board might approve additional gas exports on a "short-term interruptible basis", if reserves grow faster than domestic demand. While long-term contracts signed in the last decade contain ample legal provision to safeguard domestic supplies prior to meeting export demand, curtailing gas exports is unlikely in the next five years (Marshall Crowe, NEB chairman, Propane Gas Association of Canada, Banff, June 7).

GOVERNMENT REPORTS AND STUDIES

1. *White Paper on Freedom of Information* At printers; will be tabled in Commons soon.

2. *Minority Rights* Government charter expected in June.

ORGANIZATIONAL AND PERSONNEL CHANGES

External Affairs

Peter Towe to be Canadian Ambassador to Washington, replacing Jake Warren.

Justice

Roger Tassé appointed deputy minister; formerly deputy solicitor-general.

National Revenue

Bruce MacDonald appointed deputy minister, taxation; formerly deputy secretary, programs, at Treasury Board.

Manpower and Immigration

Jack Mannion appointed deputy secretary; formerly associate DM.

Indian Affairs and Northern Development

Perry Anglin of the northern policy directorate has left to join the B.C. government.

CHECKLIST OF LEGISLATION, BOARD ENQUIRIES,
DEPARTMENTAL ACTIVITIES, ETC.

	<u>CURRENT STATUS</u>	<u>CHANGE THIS WEEK</u>
<i>LEGISLATION — Anticipated</i>		
● Petroleum and Natural Gas Act	Gillespie's latest statement on timing: "in 1977" (less specific than earlier statements).	
● Bill to set 67% Canadian ownership of new uranium mining and milling	Expected this session.	
<i>LEGISLATION — In Progress</i>		
● Petroleum Corporations Monitoring Act (S-4)	In Senate committee.	
● Competition Bill (C-42)	In Commons and Senate committees.	
● Maritime Code and Canada Shipping Act (C-41)	In Senate committee (has passed Commons).	
● Canadian Human Rights Act (i.e. privacy) (C-25)	Passed third reading in Commons on June 2; now in Senate committee.	
● Borrowers and Depositors Protection Act (C-16)	In Commons committee.	
<i>REGULATORY AGENCIES AND PIPELINE ENQUIRIES</i>		
● Pipeline applications	NEB hearings completed. Rebuttals to arguments on June 20. Report expected in early July.	Final written arguments presented June 6. Foot-hills asked NEB to hold its Mackenzie Valley application in abeyance.
● Lysyk Enquiry into impact on Yukon of Alaska Highway route for gas pipeline	Community hearings under way until June 17. Final series in Whitehorse June 27-July 10. Report due Aug. 1. Terms of reference now cover Dempster link.	

(REGULATORY AGENCIES
AND PIPELINE ENQUIRIES)

CURRENT STATUS

CHANGE THIS WEEK

- Environmental Assessment Panel on Alaska Highway gas pipeline

Proceeding separately from Lysyk.

- Berger Commission

Parliamentary debate being arranged. Vol. 2 awaited.

- Polar Gas Line

NEB application delayed to await Mackenzie pipeline decision to complete feasibility study of LNG transportation system, and permit more studies on financing and reserves.

- Trans Mountain Pipe Line

NEB hearings awaited on proposed movement of Alaska crude from Cherry Point, Washington, to Edmonton.

- Thompson Enquiry

MPs have noted unclear status of Thompson's enquiry into marine aspects, following Kitimat Pipeline's stepping aside in favor of competing Trans Mountain application.

- LNG project at Lorneville, N.B.

Imperial filed intervention June 6. NEB has rescheduled hearings for late September following applicant's request for postponement.

DEPARTMENTAL ACTIVITIES

- EMR National Advisory Committee on Conservation and Renewable Energy

Recommended names still being considered by minister.

- Political future of N.W.T. and Yukon

Allmand hopes to release DIAND policy statement in July.

SUPREME COURT OF CANADA

- CIGOL appeal (Sask. royalties)

Judgement awaited.

New possible date June 21.

- IOL vs. Nova Scotia Light and Power Co. Ltd.

Hearing concluded; Court reserved its decision.

Mr. R.M. Maier.
Room 551
Building.

Ottawa Register

EXTERNAL PRIORITIES COORDINATION			
JUN 6 1977			
	NOTE	ACTION	RETURN
RMM	<i>Rm</i>		
IDJ	<i>Id</i>		
FILE: <i>805</i>			

Issue No. 6

June 3, 1977

CONTENTS

Legislative Debates	pp. 2-3
Committee Proceedings	pp. 4-5
Major Statements Outside Parliament	p. 5
Government Reports	p. 6
Organizational Changes	p. 6
Checklist of Legislation, etc.	pp. 6-8

SYNOPSIS

- DIAND Minister Allmand says current decisions on northern land-use and oil and gas regulations will be on an interim basis (p. 5).
- Energy Minister Gillespie's appraisal of the supply-demand outlook for crude oil is not as conservative as the recent NEB report (p. 2).
- A Commons committee has been given a reassuring appraisal of Canada's capacity to meet investment needs from chiefly domestic sources (p. 4).
- The government is planning legislation to strengthen the rights of non-union workers (p. 5).
- Kitimat Pipeline wants NEB to set aside its application (p. 8).
- Opposition parties are pressing for a public enquiry on nuclear policy (p. 3).
- Both Houses of Parliament extend hours to cope with legislation backlog (pp. 2 & 3).

SUMMARY OF LEGISLATIVE DEBATES

A. HOUSE OF COMMONS

1. Activities

To get through a backlog of legislation, the House extended sitting hours for the period May 31 to June 30. The number, if not the significance, of legislative steps picked up in the past week, as third reading was given to the Export Development Act (C-47) and the Judges Act (C-50) and as second reading was given to the Air Canada Act (C-17).

"Agenda for Cooperation", the green paper on de-control and post-control issues, was tabled during a week in which the state of the Canadian economy held sustained interest for MPs. A job-creating program in the transportation field for the Atlantic provinces was announced. Clarification was sought, but not received, on how Ottawa and the provinces could run an immigration policy together.

2. Highlights

(a) Crude Oil Supply/Demand

Gillespie described the NEB oil supply demand estimate as more conservative than his own views. He said that the NEB couldn't make assumptions about an upgrading facility for heavy oil, gas in Quebec replacing foreign oil, conservation effect of provincial insulation standards, and prospects of two rather than only one more tar-sands plant by 1985.

Trudeau told PC energy critic John Crosbie on May 27 that he would consider a First Ministers' Conference on conservation.

(b) Polar Gas

Gillespie wouldn't be pinned down on timing of a Polar line when questioned by Don McKenzie (PC, Winnipeg South Centre) May 27.

(c) Risk of Oil Spill

Maurice Dupras, parliamentary secretary to the energy minister, said on May 31 that over a 25-year period the proposed Kitimat terminal system presented a 75% probability of having a major pollution-causing incident involving an oil outflow of 387 tons. In addition the annual outflow from minor incidents is estimated at 35 tons. These tonnages compared favorably, he said, with the empirical rule of 40-70 barrels spilled per million barrels of oil throughput.

HOUSE OF COMMONS (continued)

(Highlights)

(d) Offshore Agreement with Atlantic Provinces

Trudeau told John Crosbie on May 25 that legislation on the February agreement on offshore resources could not be introduced until all administrative details were in place.

(e) Maritime Power Corporation

The federal government is contemplating taking an equity position in the corporation, Gillespie told Robert Howie (PC, York-Sunbury) on May 27.

(f) Nuclear

NDP leader Ed Broadbent wants a public enquiry before reprocessing of uranium fuel rods is permitted. Gillespie replied May 26 that he had been encouraging Commons' National Resources Committee to look into this. As acting PM, Robert Andras told T.C. Douglas on May 30 that the government would consider his proposal to create a commission of scientists to examine the whole nuclear policy question. Earlier, Allan Lawrence (PC, Northumberland-Durham) had asked for a reconciliation of a Trudeau statement on the undesirability of having plutonium reprocessing plants in Canada (or anywhere in the world) with the government's allowing AECL to study the building of a \$1.5 billion plant in Ontario.

B. SENATE

1. *Activities*

With the workload sent from Commons now picking up, the Senate began May 30 to sit a 3½-day week. Debate continued during the past week on national unity and the Solar Energy Application Bill (C-309). Second reading debate began on the Excise Tax Act (C-54). The Customs Tariff Bill (C-55) was referred to the Senate Banking Committee after second reading.

2. *Highlights*

Oil Supplies from Mexico

Senator Perrault, the government leader, said that there are no indications that any Canadian company has contracted to import Mexican crude oil on a regular basis.

SUMMARY OF COMMITTEE PROCEEDINGS

A. NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE

1. Activities

The committee met twice in the past week, to receive and discuss presentations by:

- Toronto-Dominion Bank (Douglas D. Peters, Vice-president and chief economist, on Canada's capacity to handle energy investment, May 31).
- Canadian Nuclear Association (L.C. Secord, director and past president, on nuclear policy, June 2).

Both meetings were in furtherance of the committee's assignment from Commons to study energy costs and conservation, and the referral to committee of the EMR document, "An Energy Strategy for Canada".

2. Highlights

- (a) Despite the massive investment requirements over the next 13 years, Canada will generate from within its borders over 95% of the necessary savings. Foreign capital inflows will have declining significance and the expected current account deficit is modest and manageable (Dr. Peters).
- (b) Energy capital requirements, this year amounting to \$9.4 billion, are forecast to grow less rapidly over the period to 1990 than in the past dozen years or so, although they will still be the fastest growing component of the investment sector (Dr. Peters).
- (c) Canadian public policy should regard energy projects not only as a means of preventing an energy disaster and avoiding balance-of-payments problems, but also as a source of economic stimulation, job creation and technological progress (Dr. Peters).
- (d) On the financing of a Mackenzie Valley pipeline, "the size of the banking system and the size of the financial market in Canada should not be underestimated, just because we look at figures of \$8 billion and \$10 billion" (Dr. Peters).

(Canadian Nuclear Association presentation will be excerpted next week.)

B. INDIAN AFFAIRS AND NORTHERN DEVELOPMENT COMMITTEE

1. Activities

Continued review of DIAND's main estimates.

2. Highlights

- (a) In formulating DIAND's final position to take to cabinet, Warren Allmand will not regard the Berger report as the final word on the social and environmental aspects. He has still to receive the final positions of N.W.T.'s Indian Brotherhood, the Metis Association, COPE and the N.W.T. Council. (Significantly, Allmand omitted reference to the forthcoming NEB report as an influence on DIAND's final position, though it was mentioned in the question put to him by Frank Oberle (PC, Prince George-Peace River, May 27).
- (b) Any government policy decisions in 1977 on northern land-use, or on oil and gas regulations, will have to be made on an interim basis, pending amendments to the N.W.T. Act and/or any native land claims settlement. DIAND's forthcoming policy statement on the constitutional and political development of the N.W.T. and the Yukon will provide a framework within which more specific decisions will be taken. (Mr. Allmand, May 27).

MAJOR STATEMENTS OUTSIDE PARLIAMENT

1. Beaufort Sea Drilling

Cabinet decision to allow drilling in Beaufort Sea for next three years, subject to annual review, announced by Allmand on June 1. Conditions include "same-season" relief well capability and more stringent monitoring by inspectors authorized to shut down operations.

2. Non-Union Workers' Rights

Strengthening the rights of Canada's non-union workers, including protection against unjust dismissal, is provided in 10 amendments to the Canada Labor Code, drafted for introduction at this fall's sitting of Parliament (Labor Minister Munro, Edmonton, May 28).

3. Heavy Oil Exports

Heavy oil will be exempt from the National Energy Board's licencing procedure governing the export of western Canadian oil to the United States, at least for the next three years (W.A. Scotland, NEB member, Edmonton, June 2).

GOVERNMENT REPORTS AND STUDIES

- | | |
|--|---|
| 1. Green Paper on
Decontrol and Post-
Control Issues | "Agenda for Cooperation" tabled in Commons on May 27. |
| 2. White Paper on Freedom
of Information | At printers; will be tabled in Commons soon. |
| 3. Minority Rights | Government charter expected in June. |

ORGANIZATIONAL AND PERSONNEL CHANGES

Prime Minister's Office	Donald Thorson to be special constitutional advisor to Mr. Trudeau; had been deputy minister of Justice.
Environment Canada	Dr. Harry Hill will become director of the Prairie Farm Rehabilitation Act, Regina, in September. This summer he is heading the Environmental Assessment Panel on the proposed Alaska Highway gas pipeline.

CHECKLIST OF LEGISLATION, BOARD ENQUIRIES, DEPARTMENTAL ACTIVITIES ETC.

	<u>CURRENT STATUS</u>	<u>CHANGE THIS WEEK</u>
LEGISLATION — Anticipated		
● Petroleum and Natural Gas		Gillespie said on May 27 bill expected to be introduced "in 1977".
● Bill to set 67% Canadian ownership of new uranium mining and milling	Expected this session.	
LEGISLATION — In Progress		
● Petroleum Corporations Monitoring Act (S-4)		Passed second reading May 26 and referred to Senate Banking, Trade and Commerce Committee.

CURRENT STATUS

CHANGE THIS WEEK

(LEGISLATION — *In Progress*)

- Competition Bill (C-42) Withdrawn from Commons agenda after 1st reading but referred to Commons finance committee, which plans 1st hearing in June; Senate Committee on Banking, Trade and Commerce will also examine bill.
- Maritime Code and Canada Shipping Act (C-41) Now at committee stage in Senate after passing Commons.
- Borrowers and Depositors Protection Act (C-16) In committee.

REGULATORY AGENCIES
AND PIPELINE ENQUIRIES

- Pipeline applications NEB hearings completed. Final written arguments on June 6 and rebuttal on June 20.
- Lysyk Enquiry into impact on Yukon of Alaska Highway route for gas pipeline Terms of reference extended to consider Dempster link. Whitehorse hearings concluded. Community hearings scheduled for May 30-June 17. Final series in Whitehorse June 27-July 10. Report due Aug. 1.
- Environmental Assessment Panel on Alaska Highway gas pipeline (separate from Lysyk) Dr. Harry Hill, head of group, has not agreed to consider environmental aspects of the Dempster connection.
- Berger Commission Parliamentary debate being arranged. Vol. 2 awaited.

[REGULATORY AGENCIES
AND PIPELINE ENQUIRIES]

CURRENT STATUS

CHANGE THIS WEEK

- Kitimat Pipeline

Company asked NEB to set aside its application until Board has considered Trans-Mountain Pipe Line's competing proposal to transport Alaskan crude.

- Thompson Enquiry

Status of marine aspects enquiry unclear following Kitimat Pipe Line action. (Thompson intended looking at both Kitimat and alternative of reversing Trans-Mountain.)

- LNG project at Lorneville, N.B.

NEB to hold hearings in Saint John, N.B., on Tenneco-led project, in which Trans Canada Pipelines (New Brunswick) Ltd. is participating. Interventions by June 6.

- EMR National Advisory Committee on Conservation and Renewable Energy

Recommended names still being considered by minister.

- Political future of N.W.T. and Yukon

Allmand told Commons committee May 27 that he hoped to release DIAND policy statement in July.

SUPREME COURT OF CANADA

- CIGOL appeal (Sask.) royalties

Judgment awaited. Next possible date June 6.

- IOL vs. Nova Scotia Light and Power Company Ltd.

Hearing of IOL appeal began May 25.

MEMORANDUM

PUBLIC AFFAIRS DEPARTMENT

May 31, 1977

EXTERNAL PRIORITIES COORDINATION			
MAY 31 1977			
	NOTE	ACTION	RETURN
RMM	<i>RMM</i>		
<i>TDJ</i>	<i>if</i>		
FILE: 805			

R.E. Landry
P.F. Bartha
R.G. Willoughby
P.R. Craig
W.G. Charlton
S. Brown
L. Ferguson
W.P. Gillespie
M. Greenwood
P. Howe
G. Kruk
H.J. Near
J.A. O'Connor
K. Patten
J.B. Roach
E. Schill
W. Thomas
A. Wilson

M.W. Crompton
R. Gervais
G.N. Hancock
D.B. Hay
G.R. MacDonald
J. Mercier
E. Scott
A. Sinclair

Attached is a copy of the situation summary for the Potential Issue Analysis and Response Redbook used in the Public Relations Division.

Michelle Roch

c.c. A.P. Bell
J.K. Levins
R.M. Maier
R.W. Smith

encl.
MR:ms

SITUATIONS - MAY 31, 1977 - AUGUST 31, 1977

(Updated: May 26, 1977)

* - Position Required

<u>SITUATION</u>	<u>COMMENT</u>	<u>S</u>	<u>U</u>	<u>G</u>
1. Fertilizer Restraint of Trade Charges	Judgment August 16	H	M	H
2. Mandatory reporting of exploration Expenditure.	Monitor	M	M	M
3. Downstream	Program Under Development	M	H	M
4. CAGPL	Need for Corporate Consensus on Strategy	H	H	H
5. CAGPL Product Supply	Understanding of Implications	H	L	L
6. DKM Vancouver Speech	June 2	-	-	-
7. IOL Saskatchewan Legal Action	Monitor	L	L	L
8. Berger Phase Two	Reactive Position	-	-	-
9. DDL St. Andrews Speech (CCPA)	June 28	-	-	-
10. Federal Land Regulations	Monitor	-	-	-
11. Churchill	Lead Content	M	M	M
12. Crude Increase	July 1	-	-	-
13. WJY Regina Speech (Cdn. Trucking Assoc.)	June 11	-	-	-
14. New Competition Act (Class Action Suits)	Monitor	-	-	-
15. IOL/N.S. Light & Power Co.	Awaiting Judgment	-	M	-
16. First Half Earnings	Routine Handling	L	L	L



Mr. R.M. Maier,
Room 351,
Building.

EXTERNAL PRIORITIES COORDINATION			
MAY 30 1977			
SEARCHED	INDEXED	SERIALIZED	FILED
Issue No. 5 805			

May 27, 1977

CONTENTS

Legislative Debates	pp. 2-4
Committee Proceedings	pp. 4-7
Major Statements Outside Parliament	p. 7
Government Reports	p. 7
Organizational Changes	p. 8
Checklist of Legislation, etc.	pp. 8-9

SYNOPSIS

- U.S. would reach world prices for crude oil a year ahead of Canada, on the basis of President Carter's proposals and the planning of Canada's energy ministers (p. 5).
- EMR is looking at roll-in arrangements for pricing natural gas in the event that Arctic supplies come on the market (p. 2).
- It is possible to have mandatory policies for dealing with the petroleum supply/demand situation without resorting to gasoline rationing (p. 5).
- The Canadian Coast Guard National Emergency Plan has been tabled. It deals with oil tanker spills (p. 3).
- A statement on the end of AIB controls is expected around the end of July, but not the early announcement of a general election (p. 7).

Research and Analysis Division
Public Affairs Department
Imperial Oil Limited

SUMMARY OF LEGISLATIVE DEBATES

A. HOUSE OF COMMONS

1. *Activities*

The week's debates gave sustained scope for energy issues highlighted below, and also dealt with the following:

The Economy: Canadians can expect, not balanced budgets, but a gradual reduction in unemployment over the next several years (Finance Minister Macdonald).

Immigration: Ottawa intends to exercise its constitutional rights, in cooperation with the provinces (Trudeau on Quebec proposals to seek immigration control).

Freight Rates: There is no magic in transferring transportation costs from the shipper to the taxpayer, since this can result in hidden costs and poorer productivity (Transport Minister Otto Lang, in a Hall Commission-related dig at the Conservatives).

2. *Highlights*

(a) Arctic Pipeline Applications

Work is proceeding on roll-in arrangements for pricing natural gas in the event that Arctic supplies come on the market, EMR Minister Gillespie told Cyril Symes (NDP, Sault Ste. Marie) on May 24.

Both Symes and John Crosbie (PC, St. John's West) pointed to Gillespie's quoted statements as indicating that the government had already made up its mind on the pipeline issue. Trudeau assured Crosbie that the government had not prejudged, and therefore not detracted from, the Lysyk report. Trudeau also defended the decision to have a debate on the pipeline issue in the whole House, rather than having it go to committee (reply to PC House Leader Walter Baker, May 18).

HOUSE OF COMMONS (continued)

(Highlights)

(b) Risk of Tanker Spills

The Canadian Coast Guard National Emergency Plan was tabled following questioning over a three-day period (May 18-20 inclusive) on the development of U.S. and Canadian positions. Otto Lang would not give Charles Caccia (Liberal, Davenport) a specific date for implementing financial responsibility, as dealt with under the Canada Shipping Act. Bob Wenman (PC, Fraser Valley West) wanted the Act amended to provide compensation for Canadian victims of oil pollution until the U.S. institutes mutually satisfactory legislation on trans-boundary oil pollution. House Leader Allan MacEachen told Donald Munro (PC, Esquimalt-Saanich) that he would check to see if Canadians have access to the "super-fund" which is in the draft American oil pollution and compensation bill. But, he added, Canada is not contemplating similar legislation.

(c) Beaufort Sea Drilling

The U.S. decision to delay the sale of leases in the Beaufort Sea until 1979 prompted the NDP's Stuart Leggatt to seek information on the factors involved. MacEachen undertook to look into this "reasonable" request, adding that the U.S. had been consulted prior to the first Canadian authorization for drilling.

(d) Labrador Exploration

Gillespie promised the PC's John Crosbie on May 24 to check into a report (May issue, "Canadian Petroleum") that seismic data obtained by Argus aircraft using National Defence avionics equipment could reveal substantial oil and gas fields off Labrador and Newfoundland.

(e) Maritime Energy Corporation

The corporation is now "refining" its role. This status report by Gillespie on May 20 did not satisfy Robert Stanfield (PC, Halifax) who wanted much more information on further stages of their work.

B. SENATE

1. Activities

While the general target is to adjourn Parliament at the end of June, senators were told to be prepared to sit during July because of the heavy load of Commons legislation. This week, they dealt with the extension of the Bank Act (third reading), the James Bay Native Claims Settlement Bill (passed second reading and referred to committee), and C-308 the private members' bill on solar energy application (second reading debate begun). Senator David Steuart's maiden speech called for a massive campaign to educate Canadians on the truth about their history.

2. Highlights

(a) Science Policy

The Special Committee on Science Policy is again at work, this week hearing Science and Technology Minister Hugh Faulkner as witness.

(b) Petroleum Corporation Monitoring Bill (S-4)

Senator A.I. Barrow explained S-4's provisions as the second reading debate began May 18. The aim is to find out whether additional revenues received by oil companies as a result of increased world prices are being used to develop additional reserves. Reporting by 35 companies will be standardized. Selective spot audits can be carried out at the discretion of the administrators. Individual company data will not be disclosed to anyone other than the minister.

SUMMARY OF COMMITTEE PROCEEDINGS

A. NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE

1. Activities

Witnesses of the past week have included:

- Energy Minister Gillespie and departmental officials
- Atomic Energy Control Board
- Atomic Energy of Canada Ltd.

While committee members showed their usual latitude in questioning, the business at hand was the main estimates of EMR; an assignment from Commons to study energy costs and conservation; and the referral to committee of the EMR document "An Energy Strategy for Canada".

NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE (continued)

2. Highlights

- (a) Comparison of Canada's projected move towards world prices with President Carter's proposals shows the U.S. should be there about a year earlier. Basis: world oil increases 5.5% a year, and Canada takes \$1 jumps in crude price every six months, to reach world price at the end of 1981. The trans-border comparison is significant since Gillespie said (May 24) that Canada should not move towards world price ahead of the U.S.
- (b) Gillespie contends Canada does have a mandatory policy in coping with its supply-demand problem in petroleum. The policy is to mandate the kinds of cars the automobile manufacturers are going to produce, while taking measures to discourage Canadians from buying gas guzzlers (e.g. fleet averages will rise from 18 mpg in 1976 to 24 mpg in 1980, and upwards to 33 mpg by 1985). As a result, Canadians should be using less gasoline in 1985 — "perhaps 20% less, even though there may be as much as 35% more automobiles". While not ruling out gasoline rationing, he rejected the argument that it was necessarily fairer (e.g. bureaucratic decision; some people must drive far to work; others don't; blackmarketing temptations). Meanwhile, the Energy Supplies Allocation Board is a standby group for rationing if needed.
- (c) A "ballpark" figure of \$1 billion is given by Gillespie as the cost of the Dempster lateral to an Alaska Highway gas pipeline, with or without the Dawson, Y.T., re-routing. He pointed out to his questioner, Dr. S.V. Railton (Liberal, Welland) that no formal application has been made to the NEB, and made no reference to transmission costs to Canada within an Alaska Highway trunk system.
- (d) Confirmation can be found in the May 24 committee proceedings of the linkage Gillespie sees between the agreement of most energy ministers May 11 to staged moves towards world prices and "the forthcoming and aggressive stance on the part of Alberta in the development of tar sands and heavy oil". W.R. Milne (Liberal, Peel-Dufferin-Simcoe) wanted Petro-Canada to start putting the deal together for a third tar-sands plant "rather than waiting the other way round to get the thing moving".

NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE (continued)

(Highlights)

- (e) The Conservative energy critic, John Crosbie, rejects Gillespie's explanation that the Ottawa-Newfoundland dispute is holding up Eastcan exploration. He said the federal government had put land under permit to the oil companies in unnecessarily large parcels, and pointed to earlier testimony that Petro-Canada had been unable to get a land position.
- (f) The possibility of the Come-by-Chance refinery "being given special status as a refinery to serve the U.S. market" has been raised with U.S. authorities (Gordon MacNabb, deputy minister, EMR).
- (g) In a debate on whether regulatory agencies get too cosy with those they regulate, and specifically whether there is a clear enough delineation between the regulatory and promotional functions in the Canadian nuclear field, it was revealed that 40 of the 130 staff of the Atomic Energy Control Board are former members of Atomic Energy of Canada Ltd. (J.H. Jennekens, director of licensing, Atomic Energy Control Board).
- (h) A.E.C.L. sees no parallel between the recent history of Canada's oil export capacity and prospects in uranium. Given the Canadian policy of protecting 30 years supply of uranium for domestic use, R. Campbell, A.E.C.L. chairman, believes "Canada's resource situation is such that we can undertake a fairly substantial program of sales of uranium to assist other countries".

B. INDIAN AFFAIRS AND NORTHERN DEVELOPMENT COMMITTEE

1. Activities

In continued review of DIAND's main estimates, the committee heard witnesses in the past week from the Indian and Eskimo Affairs Branch, the Parks Service, and the Northern Affairs Branch.

2. Highlights

- (a) Indian representatives are meeting directly with a Cabinet committee. From the government side, Privy Council President Allan MacEachen is chairman, with DIAND Minister Allmand and Justice Minister Basford participating. From the Indian side are Noel Starblanket, president of the National Indian Brotherhood, and other members of his executive who vary from time to time. Committees are at work reviewing the Indian Act, socio-economic development, and education and housing.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT COMMITTEE (continued)

(Highlights)

- (b) By creating the unrealistic expectation that Indian lifestyle can be maintained in perpetuity in a changing global situation, the Berger experience may end up as "yet another exercise in creating the kind of mistrust that natives legitimately have with our society" (Frank Oberle, PC, Prince George-Peace River).

C. FINANCE, TRADE, AND ECONOMICS AFFAIRS COMMITTEE

Statistics Canada will reduce the number of its surveys to reduce the burden on business and to keep within government spending constraints (Peter Kirkham, chief statistician).

MAJOR STATEMENTS OUTSIDE PARLIAMENT

1. *General Election* Trudeau's comment on five Liberal victories in six by-elections May 24: "I hadn't been planning an election, and I'm not now".
2. *End of AIB Controls* Finance Minister Macdonald says date will probably be revealed around the end of July.

GOVERNMENT REPORTS AND STUDIES

1. *NEB Report on Crude Oil Supply/Demand* Annual review tabled in Commons on May 26. (Gill-espie's prompt reaction indicated that the report had not caught up with the latest policy initiatives on tar sands-heavy oil, and with planned-interval in moving towards world prices.)
2. *Green Paper on post-AIB Planning* To be tabled in Commons on May 27.
3. *White Paper on Freedom of Information* At printers; will be tabled in Commons soon.
4. *Minority Rights* Government charter expected in June.
5. *Law Reform Commission of Canada* Fifth annual report published.

ORGANIZATIONAL AND PERSONNEL CHANGES

North-South Dialogue

Privy Council President Allan MacEachen will co-chair, with Venezuela, the ministerial wind-up conference in Paris. Canadian group headed by Alastair Gillespie.

CHECKLIST OF LEGISLATION, BOARD ENQUIRIES,
DEPARTMENTAL ACTIVITIES, ETC.

	<u>CURRENT STATUS</u>	<u>CHANGE THIS WEEK</u>
<i>LEGISLATION — Anticipated</i>		
● Petroleum and Natural Gas Act		Gillespie has repeated his expectation of introducing bill this summer.
● Bill to set 67% Canadian ownership of new uranium mining and milling	Expected this session.	
<i>LEGISLATION — In Progress</i>		
● Petroleum Corporations Monitoring Act (S-4)		Second reading debate began May 18.
● Competition Bill (C-42)	Withdrawn from Commons agenda after 1st reading but referred to Commons finance committee, which plans 1st hearing in June; Senate Committee on Banking, Trade and Commerce will also examine bill.	Deadline for briefs passed May 20.
● Maritime Code and Canada Shipping Act (C-41)	Passed 3rd reading in Commons on May 6.	Passed 2nd reading in Senate on May 18 and referred to Transport Committee.
● Borrowers and Depositors Protection Act (C-16)	In committee.	Concept of administrator has been dropped.
<i>REGULATORY AGENCIES AND PIPELINE ENQUIRIES</i>		
● Pipeline applications	Hearings completed. Final written arguments on June 6 and rebuttal on June 20.	

(REGULATORY AGENCIES
AND PIPELINE ENQUIRIES)

CURRENT STATUS

CHANGE THIS WEEK

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> ● Berger Commission | <p>Parliamentary debate being arranged. Vol. 2 awaited.</p> | |
| <ul style="list-style-type: none"> ● Lysyk Enquiry into impact on Yukon of Alaska Highway route for gas pipeline | <p>Opening hearings at Whitehorse concluded. Community hearings scheduled for May 30-June 17. Final series in Whitehorse June 27-July 10. Report due Aug. 1. (Environmental assessment panel working separately).</p> | |
| <ul style="list-style-type: none"> ● Kitimat Pipeline | <p>NEB hearing postponed until mid-August.</p> | |
| <ul style="list-style-type: none"> ● Thompson Enquiry | <p>Hearing soon on marine aspects of Kitimat (also includes terminaling re alternative of reversing Trans Mountain).</p> | |
| <ul style="list-style-type: none"> ● LNG project at Lorneville, N.B. | <p>TransCanada Pipelines (New Brunswick) has applied to NEB to build 70-mile natural gas pipeline to international boundary and receiving and storage facilities and regasification plant.</p> | <p>NEB to hold hearings in Saint John, N.B. starting June 14 on Tenneco applications to import LNG from Algeria by tanker to Lorneville and to export most of it by pipeline to U.S.A. Interventions by June 6.</p> |
| <ul style="list-style-type: none"> ● EMR National Advisory Committee on Conservation and Renewable Energy | <p>Recommended names still being considered by minister.</p> | |
| <ul style="list-style-type: none"> ● DIAND policy statement on political future of N.W.T. and Yukon | <p>Not now expected until the summer.</p> | |

SUPREME COURT OF CANADA

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> ● CIGOL appeal (Sask.) royalties | <p>Judgment awaited. Next possible date June 6.</p> | |
| <ul style="list-style-type: none"> ● IOL vs. Nova Scotia Light and Power Company Ltd. | | <p>Hearing of IOL appeal began May 25.</p> |

GOVERNMENT RELATED
DEVELOPMENT

DESCRIPTION

GOVERNMENT ACTIVITIES REGISTER
STATUSIOL
INTERESTIOL ACTION
REQUIRED

RESPONSIBILITY

COMMENT

HARRISON STUDY

An investigation into retail
marketing in Nova Scotia

In 1975, Messrs. Hayles, Martyn and Bolland met the committee and found the recommendations made are generally acceptable. The committee expressed the following views:

- a) present hours of operation for service stations are not in public interest.
- b) there are too many service stations (Imperial is divested well, but industry is not)
- c) would require full cost rent be charged.
- d) Price reduction signs at service stations are ambiguous and misleading.
- e) encouragement should be given to private branders
- f) consumer tanks should be larger
- g) would permit self-service stations. This would defeat applications to PUB by Dealers Association for one-level price structure
- h) would eliminate bays requirements for outlets.

Report of the study was presented to Nova Scotia government in March, 1976.

Company regards full cost rental recommendation as most serious objection to report.

Media reaction minimal.

PUB has sent recommendations to cabinet. Decision is apparently low priority.

PUB has recommended Self-serve to the government and extended hours of operations.

Meeting held with John French April -- who assures Imperial PUB recommendations are favorable toward company. APA plan of approach to MLA's and gov't leaders is agreeable. Gov't concerns are for service levels and car repairs. In spite of its exclusive position in P.E.I. -- or perhaps because of it -- Fina is only company to reject APA's recommended approach to gov't in N.S. APA submission to Board in May met with approval.

Automotive

Continue liaison. Have Questions & Answers. Proposal to APA by May 5 re communication plan.

Charles Hayles
Doug MacKenzie

SERVICE STATION
RENTAL POLICY

Plan to change rental formula from percentage margin to fixed assessment based on full cost. This is Harrison Report recommendation. The move is intended among other things to alleviate concern of dealers in the region re volume-related rent, to meet political concern and to dissociate company from increased property taxes.

New procedure will be introduced to dealers in region in May 1977 and implemented Jan. 1, 1978.

Automotive

Introduce to dealers. Advise PUB in N.S. and other appropriate gov't officials of Imperial's intent.

Doug MacKenzie
Charles Hayles

EXTERNAL PRIORITIES
COORDINATION

JUN 10 1977

	NOTE	ACTION	RETURN
RMM	<i>[Signature]</i>		
JDS	<i>[Signature]</i>		
FILE:	805		

GOVERNMENT ACTIVITIES REGISTER						
GOVERNMENT RELATED DEVELOPMENT	DESCRIPTION	STATUS	IOL INTEREST	IOL ACTION REQUIRED	RESPONSIBILITY	COMMENT
HIGHWAY LEGISLATION (Axle Weights)	Regulations pertaining to vehicle weights permitted on N.S. highways and bridges	Regulations have been passed allowing an additional 4,000 pounds -- to a total of 84,000 pounds. Negotiations stalemated. (Concerning tractor-trailers) Highways Minister Pace told the Legislature that provinces now authorizing this type of transportation (Quebec, Ontario and New Brunswick) are taking another look at their legislation because of trailers. Imperial has been asked (through PUB) what cost-saving would be accomplished through higher weight. Meanwhile the government has indicated bridge weights would not be increased. Currently bridge weights in Halifax/Dartmouth are under restriction.	Transportation	IOL on behalf of industry is handling through Board of Trade Transportation Committee. It is recommended that an outside consultant study bridge structure in relation to bridge weight capacity.	Frank Belshaw Alex Butt	Status unchanged
TAX LEGISLATION	Legislation in N.S. which will change method of taxation in Dartmouth and result in substantial tax assessment at Dartmouth refinery.	Municipal taxation is under revision and government plans to (1) cancel inventory assessment (2) insert a business occupancy assessment of building and real estate (25% on some businesses including service stations, 75% on financial institutions, 50% on all others; includes refinery) (3) assessment on machinery will still apply to the regular assessment but not to business occupancy (4) current expectation will be for no major taxation in 1977 resulting from this. 1978 and beyond however, will be rendered uncertain due to the need of reassessment on all property, both real and personal up to full market value. The structure of the legislation is now set, but assessment is unknown.	Logistics	Continued liaison	J.C. Maguire	

3 NOVA SCOTIA

GOVERNMENT RELATED DEVELOPMENT	DESCRIPTION	GOVERNMENT ACTIVITIES REGISTER				
		STATUS	IOL INTEREST	IOL ACTION REQUIRED	RESPONSIBILITY	COMMENT
NOVA SCOTIA POWER CORPORATION LITIGATION	Long standing court case to determine validity of contract interpretations.	Supreme Court of Canada heard appeal in May.	Marketing	Wait for Supreme Court decision	Koskie Legal Toronto	Keep on register until settled
INQUIRY INTO GASOLINE PRICES IN SYDNEY, N.S.	Esso dealers among others were summonsed to attend hearing in Sydney in Nov., 1976 re complaints of pricing irregularities	Results of hearing are under study to determine whether further investigation should take place under Combines Act.	Automotive	Determine company reaction	MacKenzie	
DEPT. OF DEVELOPMENT SURVEY, N.S.	An inquiry into investment and profitability in the oil industry as related to pricing controls in N.S.	Private and separate meetings have been held by Frank Wood of Dept. of Development for Imperial representatives and representatives from Gulf Oil.	Marketing	Wait for development. Housser will call Wood to see what has happened	Housser Levins	
DELPHI EXERCISE	A project carried out by mail following the "Delphi Technique" which has as its objective the identification and solving of problems affecting the balance of energy in N.S.. No meetings are associated with the exercise and the process consists of a series of questions and answers. The Nova Scotia Energy Council is sponsoring the exercise and the data will be processed by the Bureau of Management Consultation.	Exercise is waiting for start-up.	Corporate	Input by invitation	Phelps Bell Housser	

GOVERNMENT RELATED DEVELOPMENT	DESCRIPTION	GOVERNMENT ACTIVITIES REGISTER		IOL ACTION REQUIRED	RESPONSIBILITY	COMMENT
		STATUS	IOL INTEREST			
LEGISLATIVE ENERGY COMMITTEE	This body under the chairmanship of David Bishop, PC-MLA. It was formed for the purpose of inquiring into the energy problems of New Brunswick, including the oil industry and its operations.	Hearings have been held regarding the service station industry. Inquiries are now being made into other energy problems. Imperial has established contact with the committee and feels that the committee has not been unduly influenced by presentations made by Maritime Dealers Association. On the other hand, Bishop appears aware of the part media interest in energy problems can draw political attention to himself. At February 25 the committee had completed its deliberations as a body and Bishop is developing recommendations which is scheduled to be presented to the committee by late March or early April. Committee will meet again and recommendations will then be submitted to legislature. Bishop expressed concern re retail issues. He thinks Retail Association seeks public confrontation with oil companies. Bishop indicates Imperial should not find much displeasure in committee's recommendations. Government expected report from committee by mid-May. Report submitted to gov't in May, but has made no public comment. Most contentious recommendation is PUB type set-up for price applications. Housser, Levins, MacKenzie discussed matter with Premier Hatfield May 26. He asked for copies of Isbester, Morrow and Renouf reports.	Automotive Marketing	Maintain close contact with the Energy Committee. Watch N.B. developments in automotive industry that should be responded to. Low key public approach.	MacKenzie Levins Housser	

GOVERNMENT RELATED DEVELOPMENT	DESCRIPTION	GOVERNMENT ACTIVITIES REGISTER STATUS	IOL INTEREST	IOL ACTION REQUIRED	RESPONSIBILITY	COMMENT
OFFSHORE EXPLORATION ACT	Bill to clarify offshore leasing etc.	<p>Although "white paper" has been referred to, it has not been officially released (April 25). IOL had a private copy for study and comment. Peter Stauf, et al, met with government representatives on January 28 and presented a brief in which several main objections to the proposals were described. The government will study Imperial's brief and resume talks. Other oil companies also participated. Exploration representatives met again in Calgary on March 9. Haynes met also with Premier Moores on March 15. IOL met subsequently with government. On May 25, the White Paper and draft regulations were tabled in the Newfoundland legislature. Copeis were sent to oil companies asking for their comments by June 30.</p>	Exploration	<p>Prepare reaction to the White Paper (for the interdepartmental committee set up by gov't to meet with companies)</p>	Exploration/Housser	

GOVERNMENT RELATED DEVELOPMENT	DESCRIPTION	GOVERNMENT ACTIVITIES REGISTER STATUS	IOL INTEREST	IOL ACTION REQUIRED	RESPONSIBILITY	COMMENT
SELF-SERVE LEGISLATION	Public Utilities Board recommendations to P.E.I. government concerning self-serve permits.	Television street interviews in Charlottetown indicate that public generally accepts self-service outlets. On Feb. 24 Messrs. MacKenzie and Cantley presented letter to W. R. Brennan Secty. to PUB in which a protest was made of government's apparent intention to grant self-serve license to only one company (Fina), although both Texaco and Imperial were first to submit applications months ago. Rationale is that selected company had guaranteed better discount. Terms of refer- ence of license are not known. MacKenzie and Cantley also visited Chairman of the Commission Fina as of March 25 has been operating a self-serve in Charlottetown since March 10. Volume has tripled. Imperial Oil has been invited to submit an application for a self-serve in Summerside.	Automotive	Response to a protest letter from Imperial was not satisfactory. Legal advice was sought. IOL will present another application for a self- serve outlet, making three applications in all. MacKenzie met with Brennan April 28.	Doug MacKenzie	

GOVERNMENT RELATED DEVELOPMENT	DESCRIPTION	GOVERNMENT ACTIVITIES REGISTER STATUS	IOL INTEREST	IOL ACTION REQUIRED	RESPONSIBILITY	COMMENT
PROPOSED REGULATIONS AS TO THE STORAGE & HANDLING OF GASOLINE AND ASSOCIATED PRODUCTS	Concern has been expressed by all provincial governments as to groundwater contamination from leaking facilities or spills. The 1976 Manitoba regulations may be used as a model in the Atlantic Provinces. Some amend- ments to these regulations are necessary.	A meeting was held on Feb. 8/77 of the Ministers and Deputy Ministers of the Environment of the four Atlantic Provinces where an industry paper was presented by the Atlantic Petroleum Assoc. and P.A.C.E. as to the necessary amendments to the Manitoba Act. This draft has been approved by all integrated companies in this region. Jack Carey (Gulf) wrote for assurance of further input opportunity on behalf of APA. Situation still not settled at end of May.	Distribution Automotive Consumer	Continued input and liaison	Frank Belshaw A.P.A. P.A.C.E.	IOL have been in touch with Nfld. environment people. Meeting in St. John's April 29 sp sored by ci O'Connell & Coughlan

Ottawa Register

Mr. R.M. Maier,
Room 551,
Building.

EXTERNAL PRIORITIES COORDINATION			
MAY 20 1977			
FILE	NOTE	ACTION	RETURN
RM	<i>RM</i>		

Issue No. 4

May 20, 1977

CONTENTS

Legislative Debates	pp. 2-5
Committee Proceedings	pp. 5-6
Government Reports	p. 6
Organizational Changes	p. 6
Checklist of Legislation, etc.	pp. 7-8

SYNOPSIS

- Parliamentarians were more than usually involved in oil and gas questions, in the wake of the energy ministers' meeting on pricing (p. 4) and the release of the Berger report (p. 2). Meanwhile, the House leaders and the Liberal caucus were considering arrangements for the Parliamentary debate of pipeline issues, as reported last week.
- Mandatory conservation measures seem favored by EMR's deputy minister (p. 5).
- National Resources and Public Works Committee is not encouraged to look to either nuclear power or tidal energy as an early alternative to petroleum dependence (p. 5).
- A Canada-U.S. oil spill contingency plan for Arctic waters is now considered to be operational (p. 3).
- Dates have been set for three sets of hearings by the Lysyk enquiry into the Alaska Highway route for Alaskan gas (p. 8).

SUMMARY OF LEGISLATIVE DEBATES

May 11-17, 1977

A. HOUSE OF COMMONS

1. *Activities*

Energy was in first place as a topic in this week's debates, followed by national unity, unemployment, inflation and the Hall report.

Clarifying a recent speech by Gordon Robertson, secretary to the Cabinet, the government said it has no contingency plans for Quebec separation.

On the economy, the government would give no undertaking on special summer works projects, nor commit itself to a program of insulation for residential buildings to create employment.

2. *Highlights*

(a) Arctic Pipeline Applications

Acting Prime Minister Allan MacEachen promised Doug Neil (PC, Moose Jaw) on May 11 to (i) check into whether the Fenco report on cost overruns would be tabled, and (ii) verify that, when the economics of the Alaska Highway route are assessed, that of the Dempster Highway link would be included in the assessment.

Energy Minister Gillespie said the government would be derelict in its duty were it not prepared to look at the disastrous consequences of an energy shortage 10 years hence. The minister's comments came in debate on an unsuccessful NDP motion (159 to 14) to adopt the Berger-recommended moratorium on the Mackenzie Valley route. Opposition Leader Joe Clark was calling for a Parliamentary committee study to give those groups who disagreed with Berger a "court of appeal".

NDP's Broadbent asserted May 13 that if the Alaska Highway route were to be accepted, it should be financed by Americans, and urged that there be a 3-month extension of the Lysyk enquiry.

HOUSE OF COMMONS (continued)

(Highlights)

(Arctic Pipeline Applications)

On May 17, T.C. Douglas, NDP energy critic, pressed the finance minister for an answer on financial guarantees for an Arctic Gas pipeline. Would a permit be granted first, and then approval of financing be dealt with through legislation? The minister said that, though the question was hypothetical, Douglas had probably stated the situation correctly.

(b) Rail System for Arctic Oil and Gas

Transport Minister Otto Lang would not table the 13-volume report received from Canalog Logistics and the Institute of Guided Ground Transport at Queens (summarized October, 1974). He told the PC's Flora MacDonald that the study had been based on theories and facts no longer applicable — for example, that oil as well as gas would have been available from Prudhoe Bay.

(c) Beaufort Sea Drilling

Canada is in the process of finalizing a joint Canada-U.S. oil spill contingency plan which is now considered to be operational. Jim Fleming, Parliamentary secretary to the environment minister, reported on the arrangement while commenting on a proposal that Stuart Leggatt (New Westminster) made May 17 as part of the NDP's pressure for acceptance of certain recommendations of the Berger report. Leggatt wanted a circumpolar conference on drilling technology and oil spills in the Arctic. Of the Dome Petroleum permit renewal, DIAND minister Allmand said May 11 that he would be giving his advice to a Cabinet committee and "Perhaps I will be getting in touch with Mr. Red Adair".

(d) Lloydminster Heavy Oil

Don Mazankowski (PC, Vegreville) accused the government of failing to give a clear answer to the proposal for the establishment of a heavy oil upgrading facility. The Parliamentary secretary to the energy minister, Maurice Dupras, explained that two proposals, Pacific Petroleum and Husky Oil, are both in the preliminary stages of discussion and projected economics.

HOUSE OF COMMONS (continued)

(Highlights)

(e) Methanol Production

An interdepartmental committee is looking at the feasibility of the proposal of the Inter-Group Consulting Economists of Winnipeg to produce methanol from waste wood, Environment Minister LeBlanc told Dan McKenzie, PC, Winnipeg South.

(f) Reaction to Energy Minister's Meeting on Pricing

(i) NDP's Douglas had his own figures to show higher prices do not accelerate exploration (Gillespie said a five-year span would show a trend towards increased exploration and development); (ii) Douglas also estimated impact on unemployment and living standards, but encountered Gillespie's rebuttal; (iii) Lorne Nystrom (NDP, Yorkton-Melville) cited adverse effect on farmers and food prices, to which Agriculture's Eugene Whelan replied that Canada was even better than the U.S. in looking after its farmers through stabilization and marketing programs; (iv) Gillespie told Social Creditor Armand Caouette (Villeneuve) that market forces were the reason why gasoline prices differ so greatly in areas of northwestern Quebec.

(g) Dredging the St. Lawrence

The St. Lawrence shipping canal is to be dredged to 41 feet, hopefully by November. (Transport Minister Lang, May 12)

B. SENATE

1. *Activities*

The week's business included third reading of the Pension Act (C-11) on May 11, and of the Unemployment Insurance Entitlements Adjustment Bill (C-52) the following day. Debate on second reading of the Maritime Code Bill (C-41) was begun. Senator Perrault, the government leader, called for some kind of enquiry on national unity in concert with the Commons.

2. *Highlights*

(a) Mackenzie Valley Pipeline Enquiry

Though discussed May 11, no decision has yet been made on the Berger report being studied by the Senate Transport Committee.

SENATE (continued)

(Highlights)

(b) Protection of Coastal Waters and Shorelines
from Oil Pollution

This was discussed at length, particularly as it applied to U.S. oil tankers going through Canadian waters from Valdez. Senator Perrault has promised a full statement soon.

SUMMARY OF COMMITTEE PROCEEDINGS

A. NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE

1. Activities

Both meetings of the past week have dealt with the committee's assignment from Commons to study energy costs and conservation and to examine the document "An Energy Strategy for Canada": May 10, Science and Technology Division, Library of Parliament (on alternate energy sources); May 17, Energy, Mines and Resources (on conservation).

2. Highlights

(a) Nuclear goals of Energy, Mines and Resources and AECL may be in jeopardy. "What we in the Research Branch really cannot divine is how all of this is going to be accomplished in view of the long lead times to build a nuclear reactor, and in view of the relatively small Canadian industry directed towards the production of assemblies and components for our nuclear plant. It seems to us that there will have to be great expansion very soon in the nuclear power field if these goals ... are to be met." (Peter Alward, research officer, Science and Technology Division, Library of Parliament)

(b) Though Canada appears to possess about half the world's exploitable tidal resources, tidal power should be considered a 1990's option. Principal problem: a simple development gives power intermittently depending upon tides; hence Canada will probably need to go for a more sophisticated scheme, probably on a scale requiring power exports from Atlantic Canada. (Mr. Alward)

(c) EMR's deputy minister, Gordon MacNabb, agrees with four MPs on the committee who argued strongly for mandated conservation. MacNabb said: "We have been trying now for the last two years with a good information program — television commercials, booklets, you name it — but while we are making some impact, I think where the major savings are to be achieved will have to be through mandatory measures".

SENATE (continued)

(Highlights)

- (d) By seeking to achieve a 2%-per-annum average energy growth rate between now and 1990, EMR targets "are certainly approaching what many people would call the conserver society because there are some rather dramatic measures to get it down that low". (Mr. MacNabb)
- (e) On a per capita basis, zero energy growth could be achieved "with virtually no noticeable disturbance to lifestyle". Large companies can achieve most of the savings through efficiency improvements. Bell Canada, for example, has reduced its energy consumption by 33 per cent. (Dr. Ian Efford, director, Office of Energy Conservation)

B. INDIAN AFFAIRS AND NORTHERN DEVELOPMENT COMMITTEE

- 1. *Activities* Continued review of main estimates of DIAND.

GOVERNMENT REPORTS AND STUDIES

- 1. *Grain Handling and Transportation Commission* Transport Minister Lang tabled Mr. Justice Emmett Hall's report on May 16. (Though set up to look into the problem of branch rail lines in western Canada, the commission's report also recommended a rail line to Inuvik, as alternative to an oil or gas line.)
- 2. *White Paper on Freedom of Information* At printers; will be tabled in Commons soon.
- 3. *Green Paper on post-AIB Planning* Due late May.
- 4. *Minority Rights* Government charter expected in June.

ORGANIZATIONAL AND PERSONNEL CHANGES

Cabinet

Joseph-Phillippe Guay, minister without portfolio, to be in charge of multiculturalism policy.

CHECKLIST OF LEGISLATION, BOARD ENQUIRIES
DEPARTMENTAL ACTIVITIES, ETC.

CURRENT STATUS

CHANGE THIS WEEK

LEGISLATION — Anticipated

- Petroleum and Natural Gas Act

Appears introduction could be deferred until the fall.

- Bill to set 67% Canadian ownership of new uranium mining and milling

Expected this session.

LEGISLATION — In Progress

- Petroleum Corporations Monitoring Act

Introduced in Senate on May 12 as Bill S-4.

- Competition Bill (C-42)

Withdrawn from Commons agenda after 1st reading but referred to Commons finance committee, which plans first hearings in June; briefs by May 20. Senate Committee on Banking, Trade and Commerce will also examine bill.

- Maritime Code and Canada Shipping Act (C-41)

Passed 3rd reading in Commons May 6.

Debate on second reading in Senate began May 12.

- Borrowers and Depositors Protection Act (C-16)

In committee.

Liberal amendments announced, but Consumer Affairs Minister Abbott said May 12 that major portions of bill will be delayed until disagreements with provinces can be sorted out.

*REGULATORY AGENCIES
AND PIPELINE ENQUIRIES*

- Pipeline applications

Hearings completed. Final written arguments on June 6 and rebuttal on June 20.

On May 12, rejected Canadian Wildlife Federation motion challenging right of NEB to hold hearings.

(REGULATORY AGENCIES
AND PIPELINE ENQUIRIES)

CURRENT STATUS

CHANGE THIS WEEK

• Berger Commission

To be discussed in Liberal caucus.

• Yukon Enquiry

Under UBC law dean Kenneth Lysyk, three-person board will examine socio-economic impact of proposed gas pipeline along Alaska Highway, and report by Aug. 1.

Opening hearings at Whitehorse conclude May 20. Community hearings scheduled for May 30-June 17. Final series in Whitehorse June 27-July 10.

Separate environmental assessment panel established.

• Kitimat Pipeline

NEB hearing postponed until mid-August.

• Thompson Enquiry

Hearing soon on marine aspects of Kitimat (also include terminaling re alternative of reversing Trans Mountain).

• LNG Plant at Lorneville, N.B.

Trans Canada Pipe Lines (New Brunswick) Ltd. has applied to NEB to build part of system.

DEPARTMENTAL ACTIVITIES

• EMR National Advisory Committee on Conservation and Renewable Energy

Recommended names still being considered by minister.

• DIAND policy statement on political future of N.W.T. and Yukon

Not now expected until the summer.

SUPREME COURT OF CANADA

• CIGOL appeal (Sask.) royalties

Judgment awaited.

Next possible date June 6.

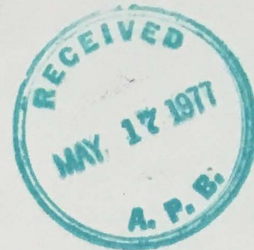
• IOL vs. Nova Scotia Light and Power Company Ltd.

Appeal launched; case likely to begin around June 1.

MEMORANDUM

PUBLIC AFFAIRS DEPARTMENT

EXTERNAL PRIORITIES COORDINATION			
MAY 17 1977			
RMM	NOTE <i>RM</i>	ACTION	RETURN
FILE: <i>805</i>			



May 15, 1977

R.E. Landry
P.F. Barth
R.G. Willoughby
P. Craig
W.G. Charlton
S. Brown
P. Howe
G. Kruk
H. Near
J.A. O'Connor
K. Patten
J.B. Roach
E. Schill
W. Thomas
A. Wilson

M.W. Crompton
R. Gervais
G.N. Hancock
D.B. Hay
G.R. MacDonald
J. Mercier
E. Scott
A. Sinclair
F.W. Ternan

Attached is a copy of the situation summary for the Potential Issue Analysis and Response Redbook used in the Public Relations Division.

Michelle Roch

c.c. A.P. Bell
J.K. Levins
R.M. Maier ✓
R.W. Smith

SITUATIONS - MAY 15, 1977 - AUGUST 15, 1977

(Updated: May 13, 1977)

* = Position Required

<u>SITUATION</u>	<u>COMMENT</u>	<u>S</u>	<u>U</u>	<u>G</u>
1. Fertilizer Restraint of Trade Charges	Monitor	H	M	H
2. Mandatory reporting of exploration expenditure	Monitor	M	M	M
3. Downstream	Program under Development	M	H	M
4. CAGPL	Need for Corporate Consensus on Strategy	H	H	H
5. CAGPL Product Supply	Understanding of Implications	H	L	L
6. DKM Vancouver Speech	June 2	-	-	-
7. JGL Montreal Speech	May 30	-	-	-
8. DDL Edmonton Speech	May 28	-	-	-
9. IOL Saskatchewan Legal Action	Monitor	L	L	L
10. Berger Phase Two	Reactive Position	-	-	-
11. DDL St. Andrews Speech (CCPA)	June 28	-	-	-
12. Federal Land Regulations	Monitor	-	-	-
13. Churchill	Lead Content	M	M	M
14. Crude Increase	July 1	-	-	-
15. WJY Regina Speech (Can. Trucking Assoc.)	June 11	-	-	-
16. New Competition Act (Class Action Suits)	Monitor	-	-	-
17. IOL/N.S. Light & Power Co.	To Supreme Court	-	M	-

Ottawa Register

Issue No. 3

May 13, 1977

CONTENTS

Legislative Debates	pp. 2-4
Committee Proceedings	pp. 5-6
Policy Statements	p. 7
Government Reports	p. 7
Organizational Changes	p. 7
Checklist of Legislation, etc.	pp. 8-9

SYNOPSIS

- The government's legislation to put its monitoring of the petroleum industry's cash flow and exploratory spending on a mandatory basis has been introduced in the Senate (p. 9).
- "Contingency work" is under way in case legislation is required for an Arctic pipeline (p. 2).
- Having opened the door to Parliamentary debate of Arctic pipeline issues before summer recess (p. 2), Liberal House Leader Allan MacEachen introduced a motion May 12 that the House "approves the position of the government that all relevant reports must be considered before deciding on a pipeline and its route".
- National Energy Board says government pressure was not involved in its decision to extend sitting hours and to make its pipeline report by July 1 (p. 5).
- The Environment Department's report on probability of Arctic oil spills prompts Opposition to allege poor Environment-DIAND coordination and a tarnishing dependence upon information from industry sources (p. 3).
- Bank of Canada lowers bank rate, while Commons reacted to the inching-up of seasonably-adjusted unemployment rate and contingency planning to cope with western Canada drought (p. 2).

SUMMARY OF LEGISLATIVE DEBATES
(May 4-10, 1977)

A. HOUSE OF COMMONS

1. Activities

The issues receiving most attention were energy, unemployment, national unity, Prairie drought, and the Polysar controversy.

Figures showing seasonally-adjusted unemployment at a post-war high, and above the level of most of the OECD countries, resulted in Conservative calls for job-creating measures, including selective tax cuts. The government is relying on recent budgetary measures having their effect over time.

Contingency planning to cope with drought in western Canada has been examined in cabinet, and will be carried forward in discussions with the provinces.

The Conservatives are keeping the pressure on over Polysar's payment of offshore agents' fees, this week demanding an RCMP investigation and to be allowed to see a CDC report on the subject.

Two bills of interest passed third reading: C-9 (James Bay and Northern Quebec Native Claims Settlement) and C-41 (to provide a Maritime Code for Canada and amend the Canada Shipping Act).

2. Highlights

(a) Arctic Pipeline Applications

Energy Minister Gillespie confirmed to Stuart Leggatt (NDP, New Westminster) on May 6 that some "contingency work" is being done on legislation in the event that either the CAGPL or the Alaska Highway route be chosen. Just prior to the tabling of the Berger report on May 9, Liberal House Leader MacEachen said Commons will debate the pipeline issue before the end of the session and not necessarily wait until after the submission of the NEB report.

Gillespie said May 6 that as far as he knew CAGPL had not made any formal request for government financial guarantees, nor did he have knowledge of any CAGPL contracts for the purchase of equipment. Four days later, Robert Kaplan, parliamentary secretary to the minister of finance, told Leggatt that the question of government financial guarantees had been raised by CAGPL informally with several departments.

HOUSE OF COMMONS (continued)

(Highlights)

(b) Beaufort Sea Drilling

The environment department's report, "Determining of Probabilities of Oil Spills in Canadian Arctic Waters", drew comments from both of the major opposition parties. Bill Jarvis (PC, Perth-Wilmot) said he couldn't understand why DIAND minister Allmand had not been aware of it, when it is he who has the responsibility of granting drilling permits. The NDP's Leggatt said later that this report was largely based upon information supplied by the two major operators in the area, Imperial Oil and Dome Petroleum, who "have axes to grind". He wanted to know when the government was going to get objective information. Environment Minister Romeo Leblanc said his officials wanted more information and were questioning the authors. On the renewal of permits, Leblanc said his department has come up with a list of 20 recommendations; that inspectors will be much more closely involved; and that a position paper is being prepared with DIAND for presentation to cabinet.

(c) Oil Exports

Some details of Gillespie's meeting with U.S. presidential energy advisor James Schlesinger were elicited by John Crosbie (PC, St. John's West) on May 9. Gillespie said the discussions covered making Canadian supplies available to the Americans "on a secure oil basis". (Press reports refer to a Gillespie-signed memo indicating Canada's readiness to consider supplying 250,000 barrels a day to northern tier refineries for five years, receiving in return U.S. guarantees of aid in meeting Canada's foreign oil needs in an emergency.) Also examined was the use of Wabana iron ore mines for an oil storage facility, and the franchise arrangement granted by the Newfoundland government to Wabanex.

HOUSE OF COMMONS (continued)

(Highlights)

(d) Tidal Power Project

On May 6, Gillespie said he would be willing to meet with Conservative members from the Maritimes on the tidal power program. Most of the work on phase one has been done and assessment is being made now on ongoing work. He will be making a statement in a few weeks.

(e) Solar Energy

When Doug Neil (PC, Moose Jaw) wanted to know whether the minister agreed with a Supply and Services Department report which said there was no clear commitment to solar energy, Gillespie said he hadn't seen the report, but pointed out that the government was funding demonstration projects across the country. Two specific proposals for government buildings are now being looked at.

(f) Relations with Francophone Countries

While sitting in cabinet as Supply and Services Minister, Jean-Pierre Goyer is also to be an advisor to External Affairs Minister Donald Jamieson. The arrangement is unusual, and the Opposition wanted an explanation. House leader MacEachen said there was no question of joint ministerial responsibility; it merely emphasizes the increasing importance of Canada's relations with francophone countries.

B. SENATE

1. Activities

The issue receiving most attention was national unity, but only from the point of view of what form Senate discussion should take. Liberal leader Perrault is to have further discussion with PC leader Jacques Flynn.

2. Highlights

Berger Report

On May 10, Senator Perrault promised to consider Senator Jack Austin's suggestion that the Senate Transport Committee study the Berger report and hear witnesses from private industry.

SUMMARY OF COMMITTEE PROCEEDINGS

A. NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE

1. Activities

The National Energy Board appeared re a \$10.3 million provision for its expenses in the main estimates of the EMR Department.

The Science and Technology Division of the Library of Parliament appeared twice. It is assisting the Committee's study of the EMR document "An Energy Strategy for Canada", as well as its assignment to examine energy costs and conservation.

2. Highlights

(a) When the U.S. Federal Power Commission gave a split 2/2 assessment of the land alternatives for bringing Prudhoe Bay gas south, it was not operating under its normal act, but rather under the Alaskan Gas Transportation Act by which Congress ordered it to give a special kind of report to the president. Judge Litt, operating under the normal act, had come up with a definite recommendation. (Marshall Crowe, NEB chairman)

(b) On the question of whether the NEB could throw "this thing" into the lap of the federal government as the FPC had done in the U.S., the Canadian legislation would require the NEB, in the normal course of events, to come up with a decision. The decision is valid only when confirmed by Governor-in-Council. This means that, should the NEB forward a choice for an Arctic gas pipeline, the cabinet can only accept or reject it. For the cabinet to take some other course of action would, in Mr. Crowe's opinion, require an act of Parliament.

(c) The government did not give the NEB its projected July 1 deadline for a report on the Arctic gas pipeline applications. Nor did the government propose the extra hours of sitting, a step taken on the NEB's own initiative to permit the Alaska Highway route to be considered within the same framework as the other applications. (Mr. Crowe)

(d) Marketing the product of a heavy oil upgrading facility is not a stumbling block to its construction. If some export adjustments are necessary to make it economic, these will be reviewed at that time. (Mr. Crowe)

NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE (continued)

(Highlights)

- (e) Canada has 6.7% of the world's land area (or an even larger share of the earth's continental crust if the continental shelves are included). It has about 1¼% of the world's oil reserves leaving aside the tar sands; 2½% of its natural gas reserves; about 10% of the free world supply of uranium; about 5% of its hydraulic resources; and 1% of its coal. "In terms of our share, then, of world energy resources, we are not particularly abundantly endowed." (Dean Clay, chief of Science and Technology Division, Library of Parliament)
- (f) Coal gasification is not an immediate solution to our energy problems because, as the U.S. program has shown, further improvements in technology are needed. It could make a fairly significant impact in two or three decades. Certain aspects of bio-mass are exploitable in a relatively short period of time — wood and some waste products. Solar energy has a certain potential, but not in as short a term as bio-mass. Wind energy does not look particularly promising. While studies are not completed, it appears tidal power is not quite as economical as nuclear power yet. (Mr. Clay and Peter Allward, research officer, Library of Parliament)

B. INDIAN AFFAIRS AND NORTHERN DEVELOPMENT COMMITTEE

1. Activities

Continued review of main estimates of DIAND.

2. Highlights

In a discussion centered on the Alaska Highway route for a gas pipeline, DIAND was unwilling to predict when a final settlement might be reached in current negotiations of a comprehensive land and benefits claim. The Council of Yukon Indians is representing both the 3,000 status Indians and the 3,000 Metis in the Yukon. (P. C. Mackie, assistant deputy minister)

POLICY STATEMENTS OUTSIDE PARLIAMENT

Arctic Pipeline

Trudeau said in London May 10 that government's decision would be made this summer.

A statement issued in Opposition Leader Joe Clark's name on May 9 toned down considerably his off-the-cuff remarks on the Berger report. A transcript of the earlier CBC interview shows him as saying that Gas Arctic was not going to be a viable proposal.

GOVERNMENT REPORTS AND STUDIES

1. *Berger Report* Vol. 1 released May 9.
2. *Petroleum Industry Cash Flow* Results of federal government survey given to federal-provincial energy ministers.
3. *Fenco Consultants Ltd. Study of Cost Overruns on Arctic Pipeline* Submitted to Energy, Mines and Resources (according to Globe and Mail).
4. *Industry, Trade and Commerce* Survey of 1977 capital spending intentions of 300 largest Canadian companies released May 12.

ORGANIZATIONAL AND PERSONNEL CHANGES

External Affairs

Jake Warren to be Canada's coordinator for multi-lateral trade negotiations in Geneva; no successor yet named as Washington ambassador.

Allan Gotlieb to be under-secretary of state for external affairs (replacing Basil Robinson); was formerly deputy minister of manpower and immigration.

Energy, Mines and Resources

With Dr. Ian Efford now confirmed as director of the Office of Energy Conservation, the former acting director Dr. David Brooks has left the government service. His explanation: "What he (the deputy minister) calls extreme conservation I call minimal conservation policy". Brooks will now head the Ottawa office of Energy Probe, as well as representing Friends of the Earth Inc. (of which the British physicist Amory Lovins is a prominent spokesman).

CHECKLIST OF LEGISLATION, BOARD ENQUIRIES
DEPARTMENTAL ACTIVITIES, ETC.

	<u>CURRENT STATUS</u>	<u>CHANGE THIS WEEK</u>
<i>LEGISLATION — Anticipated</i>		
● Petroleum and Natural Gas Act	Could receive 1st reading May or June.	
● Bill to set 67% Canadian ownership of new uranium mining and milling	Expected this session.	
<i>LEGISLATION — In Progress</i>		
● Petroleum Corporations Monitoring Act	Mandates reporting of industry cash flow, and exploratory spending, etc.	Introduced in senate on May 12 as Bill S-4.
● Competition Bill (C-42)	Withdrawn from Commons agenda after 1st reading but referred to Commons finance committee, which plans first hearings in June; briefs by May 20.	Senate Committee on Banking, Trade and Commerce will also examine bill.
● Maritime Code and Canada Shipping Act (C-41)		Passed 3rd reading May 6.
● Borrowers and Depositors Protection Act (C-16)	In committee.	
<i>REGULATORY AGENCIES AND PIPELINE ENQUIRIES</i>		
● Pipeline applications	Hearings essentially completed. Rebuttal argument on cost and risk analysis of the two principal applicants to be completed this week. Final written arguments on June 6 and rebuttal on June 20.	Canadian Wildlife Federation's Ian McDougall provided written rebuttal May 10 to opposing positions on Federation's motion challenging NEB jurisdiction.
● Berger Commission	Liberal caucus to discuss around May 18.	Tabled in Commons May 9.

(REGULATORY AGENCIES
AND PIPELINE ENQUIRIES)

CURRENT STATUS

CHANGE THIS WEEK

● Yukon Enquiry

Under UBC law dean Kenneth Lysyk, three-person board will examine socio-economic impact of proposed gas pipeline along Alaska Highway, and report by Aug. 1.

Hearings began at Whitehorse on May 11.

Separate environmental assessment panel established.

● Kitimat Pipeline

NEB hearing postponed until mid-August.

● Thompson Enquiry

Hearing soon on marine aspects of Kitimat (also include terminaling re alternative of reversing Trans Mountain).

● LNG Plant at Lorneville, N.B.

Trans Canada Pipe Lines (New Brunswick) Ltd. has applied to NEB to build part of system.

DEPARTMENTAL ACTIVITIES

● EMR National Advisory Committee on Conservation and Renewable Energy

Recommended names still being considered by minister.

● DIAND policy statement on political future of N.W.T. and Yukon

Not now expected until the summer.

FEDERAL-PROVINCIAL

● Energy Ministers

Crude oil prices to go up \$1 a barrel on July 1/77, and a further \$1 a barrel on Jan. 1/78. Natural gas prices to increase.

Met May 11.

SUPREME COURT OF CANADA

● CIGOL appeal (Sask.) royalties

Judgment awaited.

● IOL vs. Nova Scotia Light and Power Company Ltd.

Appeal launched; case likely to begin around June 1.

Item

Des

Canada Oil & Gas
Land Regulations

New re

EXTERNAL PRIORITIES COORDINATION			
MAY 11 1977			
	NOTE	ACTION	RETURN
RMM	<i>Lm</i>		
FILE:	<i>805</i>		

NEB He

Berger

Applica

Polar

Gas Plant
Applications

Imperia
Gulf -
Shell -

ARCTIC GOVERNMENT ACTIVITIES REGISTER

Item	Description	Activity	Responsibility		Comments
			Department	Member	
Canada Oil & Gas Land Regulations	New regulations	Draft tabled on May 19/76 Revisions pending	Exploration	R. Wilkinson	H.Q. handling Underhill monitoring
MVPL Application	NEB Hearing	In progress	All	R. Horsfield	Underhill monitoring and coordinating
	Berger Inquiry	Completed Report by May 9/77			
Arctic Islands Gas P/L	Application by Polar Gas	P/L application to be submitted in Sept/77. Study of LNG started			Underhill monitoring
Gas Plant Applications	Imperial - Taglu Gulf - Parsons Shell - Niglintgak	Submitted. Environmental reviews (EARP) completed. Public hearing expected in Inuvik in July	Production	D. Baldwin	No conflict expected Terms of permits will influence future operations in area.
Territorial Production Regulations	New regulations	CPA negotiating with DIAND. New draft expected in May.	Production	D. Baldwin	Under discussion
Pingo Park Landmark	DIAND Parks Dept. proposal near Tuk	DIAND reducing area to Core I (Letter Apr.25/77)	Exploration Production	R. Wilkinson D. Baldwin	
Campbell Lake Preserve	DOE/CWS proposal near Inuvik	Proposal discussed at public meeting in Inuvik	Exploration Production	R. Wilkinson D. Baldwin	Proposal seems to have died
Native Claims	Inuit Tapirisat COPE Yukon CYI N.W.T. Indian N.W.T. Metis	-Reconsidering -Preparing -Negotiating -Submitted -Preparing	Corporate	R. Horsfield	Monitoring

ARCTIC GOVERNMENT ACTIVITIES REGISTER (continued)

2.

<u>Item</u>	<u>Description</u>	<u>Activity</u>	<u>Responsibility</u>		<u>Comments</u>
			<u>Department</u>	<u>Member</u>	
* Clean Water Act	Federal Bill C-336 re management of water resources	1st Reading Oct. 22/76	Production	D. D. Baldwin	PACE participating
* Mackenzie River Traffic Regula- tions	CTC examination of water trans- port in North	Public Hearing Apr. 26/77 in Edmonton. Monitoring	Production Marketing	D. D. Baldwin R. E. Baumbach	Notice issued Jan. 1/77 following Decision on NTCL complaint (RH letter, March 18/77).
* Constitutional Development of Territories	Reaction to Native Claims for self- determination	DIAND preparing "major northern policy statement" for June/77	Corporate	R. Horsfield	Allmand letter of Feb.10/77 to Yukon. Special representative to consult NWT Council.
* Northern Man- power Delivery System	To maximize employment of northerners	GNWT proposed to P/L Contractors Assoc. on Apr.7/77. IOL studying problem	Corporate	N. Bloomer	Need to advise NORTRAN and consider our own position
* Federal Labour Legislation	New Labour Code for Federal areas	Developing for P/L project, Gas Plants & other major proj- ects	E.R.	N. Bloomer	

RH:mm
May 1977

* Additions

ARCTIC CORPORATE COMMITTEE ISSUES

1. Native Employment
2. Local Business Development
3. Discrimination
4. Native Rights
5. Environment
6. Boom and Bust
7. Product Supply in Western Arctic
8. Product Pricing
9. Natural Gas Pricing

May 1977

NWT - Yukon

<u>SCOPE</u>	<u>SITUATION</u>	<u>COMMENT</u>	<u>S</u>
1. Regional	Eastern Arctic (Atlantic Offshore Seismic)	Ongoing	M
2. Regional	Environment	Ongoing	H
3. Regional	Native Sit-ins	Ongoing	H
4. National	Norman Wells	Needs further investigation	M
5. National	NWT activity decline	Will show in early spring	M

GRM:mm

April 21, 1977

CONTENTS

Legislative Debates	pp. 2-5
Committee Proceedings	pp. 5-7
Policy Statements	p. 7
Government Reports	p. 7
Organizational Changes	p. 8
Checklist of Legislation, etc.	pp. 8-10

SYNOPSIS

- Opposition parties keep trying to get into Arctic pipeline issues before the Berger and NEB reports are received, one thrust being a suspicious probing of the nature of the commitments Trudeau gave when he visited President Carter. The government is keeping its options open on decision-making process to follow receipt of the two reports (p. 2).
- Terms of reference are being worked out for a travelling Senate committee to study regional problems and the country's future (p. 4). But Trudeau doesn't like the Opposition's idea of a permanent standing committee of the House of Commons on federal-provincial relations (p. 2).
- Petro-Canada claims to take risks that the private sector won't and is a catalyst to industry exploration (p. 5).
- The report the government gets from the Ly-syk commission by Aug. 1 will be preliminary. Should an Alaska Highway route for Prudhoe Bay gas be favored in principle, the enquiry would proceed with social impact studies and the development of terms and conditions for a pipeline (p. 7).

SYNOPSIS (continued)

- The government has a new pipeline commissioner and a new AIB head, but has lost Robert Bryce as royal commissioner (p. 8).
- Energy ministers meet again May 11 on oil and gas pricing. The Canadian Wildlife Federation has challenged NEB's jurisdiction as hearings on the Arctic gas pipeline applications move into the wind-up stage (pp. 9-10).

SUMMARY OF LEGISLATIVE DEBATES

(April 27-May 3, 1977)

A. HOUSE OF COMMONS

1. *Activities*

The week's concerns have included national unity, energy, and agriculture policy.

The House is the appropriate place to debate national unity, and, in Mr. Trudeau's view, a preferable forum to what the Conservatives proposed in the wake of the Quebec language bill: setting up a permanent standing committee on federal-provincial relations. Trudeau said categorically that, if Quebec wants to separate, first and have discussions later, his government would not be prepared to enter dialogue with the separatists.

A Conservative motion deploring the uncoordinated state of agricultural policy was defeated May 3 by a narrow margin. A bill extending the present Bank Act to allow time to enact the major decennial revision passed third reading.

2. *Highlights*

- (a) The government had repeatedly to deflect both major opposition parties from developing a premature debate, and to keep its options open on what happens when it gets the Berger and NEB reports. The NDP persists in its suspicions about the nature of Trudeau's commitments to President Carter (Stuart Leggatt, the New Westminster MP, April 27 and later on May 2 when he pointed to a statement in Montreal attributed to the new minister, Jack Horner, "I think it should be built"). To Ed Broadbent's concern that there wouldn't be enough time to study all factors and make a decision by Sept. 1, Trudeau had a succinct reply (May 3) — Canada would do its best to make an early decision and, if it can't "the Americans will do it for us" by choosing another route.

HOUSE OF COMMONS (continued)

(Highlights)

(b) Beaufort Sea Drilling

DIAND Minister Warren Allman disclaimed all knowledge (April 29) of a recent "secret" study purporting to say that the risks of blowouts are now one in 300 instead of last year's estimate of one in 15,000 to 20,000. Environment Minister Romeo LeBlanc then said a report would be released soon, but gave no explanatory comment. EMR and environment officials had gone to the site of the North Sea blowout, and a decision would not be taken on the Dome-Canmar application until a report had been received from them.

(c) Political Development of N.W.T.

A policy statement on the future of the N.W.T. will be forthcoming, and the government suggests the House wait for it before dealing with the question of self-determination for natives.

(d) Tar Sands and Heavy Oil

Gillespie outlined the status of two projects in a reply April 28 to Don Mazankowski (PC, Vegreville). The first concerns the fiscal arrangements for a 125,000 B/D tar-sands plant in Alberta; task force officials should be able to place this before ministers shortly. The second is the proposal for 20 companies to build 100,000 B/D upgrading facilities for Lloydminster oil — a project that is not as far advanced in discussion of fiscal terms.

(e) Oil Prices

Gillespie said May 3 that prices for tar sands and heavy oil would have to be at world prices or even above; that "Canadians will have to face realities". Trudeau has no objection to having the pricing discussions of the energy ministers open to the public, but it is up to them to decide.

(f) Fertilizer Price-Fixing

The combines investigation branch still has under review an investigation into price-fixing and fertilizer company activities, Consumer and Corporate Affairs Minister Tony Abbott explained, after two Prairie Conservatives had expressed concern for the Canadian farmer.

HOUSE OF COMMONS (continued)

(Highlights)

(g) Uranium Industry Enquiry

A senior EMR policy advisor will give evidence at Saskatchewan's enquiry into the uranium industry which — as Ray Hnatyshyn (PC, Saskatoon-Biggar) pointed out on April 29 — will also cover export policy and nuclear policy generally. Gillespie said the matter of a federal nuclear enquiry is under consideration.

(h) High Arctic Development

A significant Arctic development was the coming into full production recently of a lead-zinc find on Baffin Island. Gillespie pointed to it while promising Gerard Laprise (SC, Abitibi) on April 29 that he would enquire of his officials about the mineral potential of King Christian Islands. He had explained that the King Christian Islands are associated with a gas find rather than with oil.

B. SENATE

1. *Activities*

Reconvening on April 26 after Easter recess, the first act of the Senate was to swear in the four new Senators — Willy Adams, Bud Olson, Royce Frith and Peter Bosa.

Senate committees have also begun sitting again and the week saw them dealing notably with banking legislation, Canada-U.S. relations and the Borrowers and Depositors Protection Act.

2. *Highlights*

(a) The Solar Energy Application Bill received first reading.

(b) Committee on Regional Aspirations

Terms of reference are now being worked out for a travelling Senate committee to study regional problems and the views of Canadians on the future of the Constitution and the country. Liberal Senate leader Raymond Perreault will be making an announcement within the next few weeks.

SENATE (continued)

(Highlights)

(c) Oil Supplies from Mexico

Perreault promised to come up later in the week with answers to Jack Austin's questions relating to Don Jamieson's visit to Mexico — particularly how much oil would be imported and what the roles of the private companies and Petro-Canada would be.

SUMMARY OF COMMITTEE PROCEEDINGS

A. NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE

1. Activities

Recent meetings have dealt with estimates of the Energy, Mines and Resources Department. In addition to statements by Gillespie, the Committee questioned representatives of:

- Petro-Canada (April 19)
- Atomic Energy Control Board (April 21)
- Atomic Energy of Canada Ltd. (April 26)
- National Energy Board (May 3)
- Science and Technology Division of Library of Parliament (May 5) - re "An Energy Strategy for Canada".

2. Highlights

- (a) Given its national mandate, Petro-Canada feels it is probably in a position to take more risk than the private sector over the Newfoundland-Ottawa jurisdictional dispute. "If we had a land position off Labrador, I think we would drill this year and take our chances with the jurisdiction" (W. Hopper, president).
- (b) While Petro-Canada diluted its originally-intended participation on an Arctic Islands farmout, to make room for Imperial and Gulf to come in, "there is no question in our minds that the moving of that \$80 million play ... simply did not take place until we were prepared to commit ourselves" (Maurice Strong, chairman, claiming a Petro-Canada role as the industry's catalyst).

NATIONAL RESOURCES AND PUBLIC WORKS COMMITTEE (continued)

(Highlights)

- (c) Petro-Canada has never received any government instructions on where to explore, though its capital budget must be approved by government. 1977 exploration budget is \$130 millions, of which \$70 million has already been committed to specific expenditures (Mr. Hopper, who also discussed Petro-Canada salaries, industry raiding, and reported defections at the executive level).
- (d) To gain perspective on the nuclear safety issue — where Canada's record so far is extremely good — people should keep in mind that the older technologies have safety costs — for example, 200 U.S. coal miners killed in a year, plus 100 persons killed while transporting coal. U.S. government pays \$1 billion a year in compensation for black lung disease, and particulates may be affecting the health of thousands of other people (Dr. A.T. Prince, president, Atomic Energy Control Board).
- (e) To Newfoundland Conservative John Crosbie's questions about a conflict of interest between the control and "promotional" roles of the Atomic Energy Control Board, Gillespie announced forthcoming amendments to the Atomic Energy Control Act, under which some functions would report to EMR and some to a "different minister" (possibly Environment).
- (f) President Carter's decision in April to defer commercialization of the plutonium recycle and fast-breeder program has stimulated U.S.A. interest in alternative fuel cycles and opened up extended areas of cooperative effort with Canada (i.e. thorium cycle, adaptable to CANDU). To move from the present stage of research on the thorium cycle to commercial application would require about 20 years of intensive development and demonstration. This corresponds roughly to the time during which proven Canadian uranium reserves are sufficient to provide a lifetime supply of fuel for the reactors to be installed during the same time space (Ross Campbell, chairman, Atomic Energy of Canada Ltd.).

B. INDIAN AFFAIRS AND NORTHERN DEVELOPMENT COMMITTEE

1. *Activities* Review of main estimates of DIAND.

2. *Highlights* (a) A senior DIAND official concedes that there is "no general overall land-use policy as such" for the two northern territories (Ewan Cotterill, assistant deputy minister, responding April 19 to questioning by Frank Oberle, PC, Prince George-Peace River).

(b) Only a preliminary report has been requested by Aug. 1 from the Lysyk enquiry into the impact on Yukon communities of a gas pipeline following an Alaska Highway route. Should there be a decision in principle in that applicant's favor, the enquiry would then study further the social impact and develop terms and conditions that could be applied to the pipeline. Construction is unlikely for "at least a couple of years" (Mr. Cotterill, April 19).

POLICY STATEMENTS OUTSIDE PARLIAMENT

1. *Oil for Coal Exchange* An "understanding in principle" has been reached for importing Mexican oil in exchange for Canadian coal, possibly from Cape Breton (External Affairs Minister Jamieson, following meeting with Mexican president).

2. *Post-AIB* Ottawa now expects to have to make the final decision on the timing and method of removing wage-price controls because the provinces are unable to agree (Finance Minister Macdonald, following meeting with provincial finance ministers, May 4).

GOVERNMENT REPORTS AND STUDIES

Energy-Saving Techniques

Eleven booklets being prepared by Office of Energy Conservation, EMR, for use of industry task forces.

ORGANIZATIONAL AND PERSONNEL CHANGES

Prime Minister's Office

Basil Robinson appointed federal pipeline commissioner April 28; formerly under-secretary of state for external affairs after four years with DIAND.

Anti-Inflation Board

Harold Renouf, a Halifax C.A., appointed to head AIB, replacing Jean-Luc Pepin, who resigned.

Royal Commission on Corporate Concentration

Robert Bryce, 67, has resigned as chairman because of ill health. Other commissioners, Pierre Nadeau of Montreal and Robert Dickersen of Vancouver, will carry report to completion in September, and publication eight weeks later.

Department of External Affairs

Office being set up to deal exclusively with Canada-U.S. relations (Jamieson's speech April 29 in Atlanta, Ga.).

Indian Affairs and Northern Development

Tony Belcourt (a native, who formerly was president of Impact Research) will head new public communications and parliamentary relations branch.

Consumer and Corporate Affairs

Klaus Decker to be director, marketing practices (new position).

Environment

Jacques Gerin appointed senior ADM (replacing Paul Tellier, now deputy secretary to cabinet).

Federal Provincial Relations Office (PCO)

Pierre Lefebvre appointed to create an information and documentation centre.

CHECKLIST OF LEGISLATION, BOARD ENQUIRIES, DEPARTMENTAL ACTIVITIES, ETC.

CURRENT STATUS

CHANGE THIS WEEK

LEGISLATION — Anticipated

- | | |
|--|---|
| ● Petroleum and Natural Gas Act | Could receive 1st reading May or June |
| ● Petroleum Corporations Monitoring Act | Could receive 1st reading in May. Gillespie wants it passed this session. |
| ● Bill to set 67% Canadian ownership of new uranium mining and milling | Expected this session. |

CURRENT STATUS

CHANGE THIS WEEK

LEGISLATION — *In Progress*

- Competition Bill (C-42) Withdrawn from Commons agenda after 1st reading, but referred to Commons finance committee, which plans first hearings in June; briefs by May 20.
- Maritime Code and Canada Shipping Act (C-41) First reading March 9.
- Borrowers and Depositors Protection Act (C-16) In committee.

REGULATORY AGENCIES
AND PIPELINE ENQUIRIES

- Pipeline applications for Arctic Gas (NEB) Hearings essentially completed. Rebuttal argument on cost and risk analysis of the two principal applicants to be heard next week. Final written arguments due in two weeks, and rebuttal in a month. Motion by Canadian Wildlife Federation's Ian McDougall on April 29 challenges NEB's jurisdiction to hold hearings and approve a conditional application. Argument in response May 4
- Berger Commission Report expected to be made public May 9; Liberal caucus to discuss around May 18.
- Yukon Enquiry Under UBC law dean Kenneth Lysyk, three-person board will examine socio-economic impact of proposed gas pipeline along Alaska Highway, and report by Aug. 1. Beginning of hearings at Whitehorse on May 11 announced
- Kitimat Pipeline Separate environmental assessment panel established.
- NEB hearing postponed until mid-August.

POTENTIAL ISSUE ANALYSIS AND RESPONSE
ACTIONABLE SITUATIONS (ATLANTIC REGION)

MAY 2, 1977

EXTERNAL PRIORITIES COORDINATION			
MAY 31 1977			
RMM	NOTE	ACTION	RETURN
JDI	[Signature]	[Signature]	
FILE: 805			

OBJECTIVE: External and internal developments that have potential implications for publicity (good or bad) are identified early and handled satisfactorily.

	<u>SCOPE</u>	<u>SITUATION</u>	<u>COMMENTS</u>	<u>S</u>	<u>U</u>	<u>G</u>
1.	Regional	N. S. Power Litigation	To go to Supreme Court of Canada June 1, 1977.	L	L	L
2.	Regional	Non-crude price application Nova Scotia	Data to support future increases presented	H	M	M
3.	Regional	N. B. Energy Committee	Committee's conclusions expected mid-May	M	M	M
4.	Regional	Pricing Legislation P.E.I./ Newfoundland	Low activity. Not dealt with by legislature March 24/77	L	L	L
5.	Regional	Imperial/Irving Litigation	Low profile; case still active	L	L	L
6.	National	Canadian Arctic Gas Pipeline	Region communication plan in progress	M	H	L
7.	National	Labrador Seismic	Ongoing	L	L	M
8.	Regional	Harrison Report: Self-serve Full cost rent, credit terms (Nova Scotia)	Waiting for government decision	H	M	M
9.	Regional	Gay's River Mine	Drilling ceased; data being studied. Report of finding in May.	L	L	M
10.	Regional/ National	Sydney Dealers Combines Inquiry	Hearings completed; waiting decision from Consumer & Corporate Affairs; possible company implication	M	M	M
11.	Regional	Land Claim Litigation (Antigonish)	Application to N.S. Dept. of Mines; active	L	L	L
12.	Regional	P.E.I. Self-serve application	One license granted to Fina	M	M	M
13.	Regional/ National	Atlantic Oil Workers Union	Independent of OCAW at Texaco (Dartmouth)	M	M	L